



**APARTHEID  
IN WESTERN  
CAPITALISM  
IN OCCUPIED  
NAMIBIA**

**EDITED BY  
ALLAN D. COOPER**

## **ALLIES IN APARTHEID**

*Also by Allan D. Cooper*

**US ECONOMIC POWER AND POLITICAL INFLUENCE IN  
NAMIBIA, 1700–1982**

# Allies in Apartheid

## Western Capitalism in Occupied Namibia

Edited by  
Allan D. Cooper

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Softcover reprint of the hardcover 1st edition 1988 978-0-333-45722-1

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First published 1988

Published by  
THE MACMILLAN PRESS LTD  
Houndmills, Basingstoke, Hampshire RG21 2XS  
and London  
Companies and representatives  
throughout the world

British Library Cataloguing in Publication Data  
Allies in apartheid: Western capitalism in occupied Namibia.  
1. Namibia—Foreign economic relations.  
I. Cooper, Allan D.  
337'.09171'3      HF1614.2

ISBN 978-1-349-09957-3      ISBN 978-1-349-09955-9 (eBook)  
DOI 10.1007/978-1-349-09955-9

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a non-governmental organisation assisting in self-help development projects in the Third World. Hurlich also is the Co-Director and one of the founding members of the Rural Science and Technology Institute, an international non-governmental organisation concerned with the role of women in development, as well as scientific research on the development of appropriate technologies for use in rural areas. Hurlich has engaged in extensive research on several Canadian-based transnational corporations, including the Hudson's Bay Company and Falconbridge.

**Yoko Kitazawa** the senior researcher and editor of the Pacific Asia Resource Center in Tokyo. She is the author of *Rebellions in South East Asia* (1974); *My Own Africa* (1979); *Revolutionaries I Met* (1981); *Black Africa* (1981); and *Japanese Economic Expansion* (1983). Kitazawa has also published several articles on Japanese economic relations with Namibia and South Africa, and has conducted a number of research studies on behalf of the UN Council for Namibia regarding Japanese relations with Namibia.

**Jacques Marchand** is a past president of the Mouvement Anti-Apartheid in Paris, France. He has presented his research at international conferences held on Namibia and has published articles on French relations with Namibia. He is currently completing his PhD in Paris.

**Henning Melber** is a Professor in the Department of Social Sciences at the University of Kassel, FRG. In 1967 Melber emigrated to Namibia where he joined SWAPO in 1974. The following year he was banned from Namibia and South Africa. He has published numerous articles on Namibia, South Africa and Tanzania. Among his major works are: *Namibia—Geschichte und Gegenwart Zur Frage der Dekolonisation einer Siedlerkolonie* (1977); *Schule und Kolonialismus: Das formale Erziehungswesen Namibias* (1979); *Namibia: Kolonialismus und Widerstand* (1981); *It Is No More A Cry: Namibian Poetry in Exile*, editor (1981); and *Our Namibia: A Social Studies Textbook* (1984).

**Alun R. Roberts** is a researcher and writer on Namibia specialising in research on the implementation of Security Council resolution 435 (1978) for Namibian independence, the implementation of UN Decree No. 1 for the Protection of Natural Resources of Namibia enacted by the UN Council for Namibia in 1974, and the question of illegal trading between Western-based corporations in Namibia's mineral resources.

As a researcher in international law, Alun Roberts has worked as a research consultant for the UN Council for Namibia and the UN Centre on Transnational Corporations. Between 1979 and 1980 he worked as co-researcher for the UK Granada Television's 'World in Action' documentary, 'Follow the Yellowcake Road', which exposed the clandestine methods of transporting Namibian uranium to nuclear companies in France and the United Kingdom. He is also author of a number of studies on Namibia, including *The Rossing File*, published in 1980, which exposed UK government contracts for Namibian uranium. At present he is undertaking a research program on Namibia and Southern Africa in international law.

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# Preface

The struggle for Namibian independence is not one that has generated widespread attention or support from the people of the Western industrialised countries. Much of this apathy is due, no doubt, to the failure of Western media corporations to report on their respective countries' economic and political relations with Namibia, which have been a violation of international law since 1971. The illegal aspects involved in *any* transaction with the South African administration in Namibia has compelled Western-based transnational corporations to obscure or lie about their involvement in Namibia, and has forced Western governments to engage in elaborate pretensions about finding a solution to the Namibian crisis.

In general, the academic community has been silent as well. Given the informal demands of the tenure track process, few scholars have been willing to risk the opportunities for job security by exposing their country's illegal involvement in the suppression of Namibian independence. It is one thing to challenge one's relations with South Africa as being *immoral*, but fewer scholars or activists have been willing to publicly confront their country's *illegal* relations with Namibia.

Consequently, it was with great appreciation that the American Committee on Africa (ACOA) organised an international conference on Namibia in November 1982, bringing together dozens of activists and scholars from around the world to share their work and interest in Namibia. Speaking on behalf of the other participants, the conference was extremely educational and therapeutic. As a result of that conference, the global network of support for Namibia was enhanced, leading, in part, to the evolution of this manuscript. The 1982 conference in Washington DC served to awaken many of the participants to the overlapping problems we all share in our work on Namibia. For the first time, many of us gained an understanding of how important it is to collaborate with each other on Namibia, much as Western governments and corporations have been doing for decades.

The idea behind this book is to offer the reader the same international perspective on Namibia that developed out of the 1982 conference. Most of the contributors to this book were participants in that conference, and all are considered to be among the leading authorities on their respective countries' involvement in Namibia. Each of us is greatly indebted to the ACOA and especially to its Executive Director,

Jennifer Davis, for creating the environment that helped to bring about this book.

The contributions in this book are not copies of the papers presented to the 1982 conference (these may be obtained from the ACOA). Rather, each of the Namibian specialists involved in this manuscript have offered a unique insight into the issues and events that currently are shaping their country's relations with Namibia. This effort has not been without its casualties, most notably Alun Roberts' two-month detention by the South African authorities in Namibia while he was collecting data for this book. I also would like to give tribute to Anton Lubowski and Gotthardt Garoeb, two Namibians who suffered imprisonment and harassment from the South African occupation forces in Namibia after they guided me around Namibia in 1985.

The contributors to this book hope that in some way our 'detective work' will hasten the independence and self-determination of Namibia. For this reason, we offer all our royalties from this publication to the South West African People's Organization which is leading the independence struggle against the white-minority regime of South Africa.

*Raleigh, North Carolina, USA*

ALLAN D. COOPER



# Currency Conversions

In the following chapters there are a number of references to monetary values which are identified by national currencies. The table below is provided for the reader's convenience to help translate these currency values to one's own national monetary system. These currency conversions are tied to the US dollar (\$) and are based on 1984 values.

	<i>Currency</i>		<i>Nationality</i>
US \$1.00 =	US\$	1.00	USA
	CAD	1.27	Canada
	DKK	10.04	Denmark
	DM	2.59	FRG
	FIM	5.90	Finland
	Fr	7.98	France
	Y	227.70	Japan
	G	2.92	Netherlands
	NOK	7.80	Norway
	SEK	8.06	Sweden
	L	0.66	UK

# Introduction I: Prelude to a Revolution

Allan D. Cooper

Most of the chapters in this book focus on the relations between specific Western states and pre-independent Namibia. These relations are, of course, only part of the circumstances that have contributed to Namibia's inability to achieve independence. A more complete understanding of Namibia's occupied status necessitates some background information on South Africa's assumption of the League of Nations mandate over Namibia, and the role of international organisations in attempting to settle the Namibian dispute. This Introduction provides the historical background about Namibia which helps to put the 'Country' chapters into their proper perspective.

Namibia is situated in south-western Africa along the Atlantic Ocean. Its 318 261 square miles (824 269 square kilometres) are surrounded by Angola to the north, Zambia to the north-east, Botswana on the east, and South Africa to the south. Despite the large size of the territory, it possesses only about 1.5 million people, representing one of the lowest population densities in all of Africa.

Namibia is extremely rich in natural resources. It is the largest source of gems and diamonds in the world, and has perhaps the largest uranium mine to be found in any country. Namibia also possesses dozens of base metals, most importantly copper, lead, zinc, manganese and tin. Natural gas has been discovered off the coast, and there is the possibility that petroleum is nearby. In addition, Namibia has a major fishing industry centred around lobster, pilchards and anchovy, and also has a significant karakul (persian lamb) fur industry.

Prior to German colonisation in 1884, the indigenous population of Namibia consisted primarily of nomadic herdsman and hunters, who made appropriate use of Namibia's extensive pasturage and hunting areas. This lifestyle came to an end following Bismarck's colonisation of the territory. Africans in Namibia immediately resisted this violent intrusion into their territory, but the Germans responded with a genocidal campaign against the Namibians. By the early 1900s the Germans had massacred 75 per cent of the Nama, and had reduced the Herero from 80 000 individuals to only 15 000.

The Germans were never able to solidify their political authority throughout Namibia prior to the First World War. However, as Henning Melber points out in the next chapter, German colonialists systematically destroyed the economic framework leading to the eventual collapse of African political power over the territory.

In 1915, Britain ordered its South African dominion to invade German South West Africa as part of the general war effort. In 1920, following Germany's defeat in the War, the League of Nations recognised the establishment of a Mandate authorising South Africa to administer Namibia on behalf of His Britannic Majesty. South Africa soon began to impose its racist legal structures upon Namibia. In 1920, the Masters and Servants Proclamation was issued, making it illegal for Namibians to quit their jobs with white employers except under a few specific conditions. Pass laws were introduced into Namibia in 1922, and Namibians were not allowed to leave their homes without permits. In short, Namibia was treated as a fifth province of South Africa, despite consistent protests by the League of Nations.

In 1925, the South African government consented to white settler demands in Namibia and established a Legislative Assembly within the territory. Africans were completely excluded from this structure of limited self-rule in Namibia.

In 1948, following the Second World War, Pretoria made a concerted effort to get the United Nations to allow the South African government to annex Namibia. The UN rejected these measures, but Pretoria proceeded to integrate Namibia into the political and economic fabric of South Africa. In 1951, Namibia's white population was given political representation in the South African Parliament, and in 1955 Pretoria took direct control over the affairs of Africans in Namibia through its Department of Bantu Affairs.

Faced with this increasing suppression of rights, Namibians began organising against South Africa on a national basis. On 19 April 1960, the South West African People's Organization (SWAPO) was founded as a national liberation movement. The founding of SWAPO coincided with the decolonisation of many other African and Third World nations, thus bringing about a more receptive environment for SWAPO at the United Nations and other international agencies.

This support for the liberation of Namibia suffered a relative setback in July 1966, when the International Court of Justice dismissed the rights of Ethiopia and Liberia (two former members of the League of Nations) to seek a judgement on South Africa's maladministration of the mandate over Namibia. In response to this World Court dismissal,

the United Nations General Assembly approved Resolution 2145 on 27 October 1966, which terminated South Africa's mandate to administer Namibia. The UN decided that South Africa had 'no other right to administer the territory', and placed Namibia under the direct responsibility of the United Nations. On 19 May 1967, the United Nations established the UN Council for Namibia to serve as the legal authority over the south-west African territory.

On 20 March 1969, the United Nations Security Council issued Resolution 264, proclaiming South Africa to be in illegal occupation of Namibia. Both the United Kingdom and France abstained on this resolution which also called for the immediate withdrawal of South Africa's administration from Namibia.

Several months later, on 12 August 1969, the Security Council passed Resolution 2517 recognising the legitimate right of the Namibian people to wage war against the South African authorities, who illegally occupied their land. The resolution also defined South Africa's continued occupation of Namibia as an 'aggressive encroachment' of UN authority and a violation of territorial integrity. The UK, France, the US and Finland all abstained from the adoption of this Security Council resolution.

France and the UK also obtained from Security Council Resolution 283, adopted on 29 July 1970, which demanded that all states cease any relations with South Africa and curtail any state and privately owned or operated enterprises in Namibia.

South Africa ignored such UN resolutions, and some Western powers also questioned whether the UN had the authority to make such demands upon South Africa. But, at the request of the UN Security Council, the International Court of Justice issued an advisory opinion on 21 June 1971, that set the record straight on this issue. The World Court acknowledged that the UN was within its rights to terminate the Namibian mandate and to demand that South Africa withdraw immediately from the South-West African territory. The court concluded that South Africa's continued occupation of Namibia was a violation of international law, and that other states or individuals who provided support to South Africa's occupation of Namibia were also violating international law.

Still, these demands went unheeded by South Africa and its Western allies. So in December 1971 Namibian contract workers launched a nationwide strike against the contract labour system and South Africa's continued occupation of their country. This labour action was accompanied days later by a peasant uprising in Ovamboland. On

4 February 1972, South Africa imposed a state of emergency in Namibia, and military troops brutally repressed all political opposition. In an attempt to gain political control over the situation, South Africa announced that elections would take place in the Ovamboland bantustan to pick African collaborators to administer that region. SWAPO organised a boycott of these elections in August 1973, which was respected by over 95 per cent of registered voters. Based on this resounding victory by SWAPO, the UN General Assembly voted in December 1973 to recognise SWAPO as the 'sole authentic representative' of the Namibian people.

In 1974, attention shifted to strengthening the UN Council for Namibia. In September of that year, the Council enacted a Decree on the Natural Resources of Namibia, forbidding the exploitation and export of all Namibian resources without the permission of the UN Council for Namibia.

Meanwhile, South Africa continued to develop its plan to recruit African collaborators who could administer Namibia as an alternative to SWAPO. On 1 September 1975, South Africa opened the Turnhalle Constitutional Conference in Windhoek. The Conference was given three years to draw up a constitution for the 'independence' of Namibia. This constitution was submitted on 18 March 1977, and called for a governmental structure based on the existing bantustans. The United States and other Western powers quickly condemned this constitution, forcing South Africa to resume direct control over Namibia. On 1 September 1977, South Africa appointed the first Administrator General (AG) with full executive and legislative powers to rule Namibia. At the same time, South Africa re-annexed the port of Walvis Bay.

Under the leadership of the US, a Western Contact Group was formed in 1977 to begin negotiations with South Africa and SWAPO for an agreed transition process to independence. The Contact Group (US, UK, France, West Germany and Canada) produced its proposals in February 1978, which South Africa and SWAPO accepted in principle. Endorsed by the United Nations (as Resolution 435), both South Africa and SWAPO agreed to national elections in Namibia which would be supervised by the United Nations. But in Autumn 1978, South Africa rejected UN Secretary-General Kurt Waldheim's report requiring the repeal of repressive laws and a UN Transitional Assistance Group (UNTAG) to enforce the UN's authority. On 4–8 December 1978, South Africa prepared the way for a Unilateral Declaration of Independence (UDI) by sponsoring an election for a 'National Assembly' with wide legislative powers.

One of the first major pieces of legislation issued by the National Assembly was the Abolition of Racial Discrimination Act of 1979. This bill was designed to end racial segregation in public facilities. Passage of the bill was very important to the governing Democratic Turnhalle Alliance (DTA) since the elimination of apartheid represented the only chance these collaborators had to win support and legitimacy from the African population. But Namibia's white population reacted strongly to the bill. White teachers and civil servants threatened to go on strike. Aktur, a coalition of right-wing parties, withdrew its six representatives from the National Assembly in protest. Bowing to these pressures, the South African Prime Minister, Pieter Botha, dismissed the Administrator General, Marthinus Steyn, and replaced him with Gerrit Viljoen, the former chairman of the secretive, élite Broederbond. Viljoen quickly slowed down the pace of desegregation and political reform.

Viljoen met with leaders of the DTA and Piet van der Byl, a South African legal adviser, to discuss a new political dispensation for Namibia that would protect white minority privileges. As a result of these negotiations, Viljoen issued AG 8, setting up a three-tiered administrative government for Namibia which would consist of 1) a National Assembly, 2) ethnically-based territorial assemblies, and 3) municipal governments. In November 1980, Viljoen organised elections to the second-tier ethnic assemblies. Over 80 per cent of eligible voters participated in the election, with over half of these voters supporting right-wing National Party candidates, compared to only a third who voted for candidates of the reform-minded DTA. Africans were equally as resentful of DTA candidates, with many boycotting the election altogether.

In January 1981, Ronald Reagan assumed the US Presidency and quickly initiated his 'constructive engagement' policy towards South Africa. Part of this policy called for a 'linkage' between settling the Namibian dispute with the withdrawal of Cuban troops from Angola. This policy was condemned by most members of the UN (including some members of the Contact Group) but the strategy served to postpone all serious negotiations over Namibia for the next several years.

By early 1983, it was clear that the DTA had failed to gain any significant support from the Namibian people. Consequently, Pretoria dismissed the National Assembly and all political power in Namibia reverted to a new Administrator General – Willie van Niekerk. In November 1983, Van Niekerk urged the DTA to join with five other internal parties in a Multi Party Conference (MPC) to discuss new

strategies for organising an anti-SWAPO government. Two months later, leaders of the MPC met in Cape Town with representatives of the South African government and the US Assistant Secretary of State for African Affairs, Chester Crocker. The Cape Town Agreement established a new framework for an internal administration in Namibia, but serious defections soon occurred. In March 1984, the Damara Council left the MPC and allied itself with SWAPO. In April, several officials of SWANU also left the MPC. To stall this trend, the MPC and the Administrator General met with SWAPO leaders in Lusaka, Zambia during May 1984, in an attempt to interest the liberation movement in sharing power in Namibia. When SWAPO rejected these pleas, the MPC proceeded to urge South Africa to implement the Cape Town Agreement, in which the MPC would be transformed into a quasi-government with powers to administer the non-military programmes of the territory. Finally, in June 1985, the South African Government established the Transitional Government of National Unity which included a new Ministers Council and a National Assembly composed of representatives of the MPC. In addition to assuming many of the powers of the Administrator General, the Interim Government was instructed by South Africa to organise a Constitutional Council that would devise a constitution bringing full independence for Namibia within two years. This council held its first meeting in January 1986 and was chaired by former Bophuthatswana Chief Justice, Victor Hiemstra.

Namibians remained united in their opposition to South Africa's efforts to impose a collaborator government on them, and in May 1986 fifteen church groups, political parties and organisations joined SWAPO in unanimously adopting the Ai-Gams Declaration, which condemned the Transitional Government and called for its abolition. The Ai-Gams Declaration also reaffirmed that UN Resolution 435 was the only peaceful and democratic way of achieving independence for Namibia. It rejected what it called 'the unholy alliance between the USA and the Republic of South Africa in their attempts to bypass [UN Resolution 435] by linking the independence of Namibia to issues which are totally extraneous, such as the withdrawal of the Cuban troops from Angola'.

Given the lack of success in creating a collaborator government in Namibia during the early 1980s, Pretoria sped up its Africanisation of the military forces in Namibia. Although white officers continue to lead black regiments, efforts have been underway in Namibia to lay the groundwork for the eventual emergence of black military leaders through various 'cultural' groups established within the military. In

Ovamboland, the South African Defence Force has set up 'Etango', an anti-SWAPO youth-oriented movement. 'Nambueza' has been organised by Pretoria in the Caprivi, and 'Ezuva' is a cultural movement set up by the SADF for Kavango speakers. In short, it may only be a matter of time before a 'Jonas Savimbi' character becomes manifest in Namibia.

South Africa's occupation of Namibia has served Pretoria's own agenda for political, economic and military security—independent of any other country which may have benefited from white-minority rule in the south-west African territory. But, as the following chapters make all too clear, major Western Powers have played their part in suppressing Namibian independence and have profited from South Africa's continued occupation of the mineral-rich territory. Each Western state has exploited Namibia for its own purposes. For states like France, the Netherlands and Japan, the importance of Namibia has primarily been as a source of uranium for their nuclear power plants. Scandinavian countries also have needed Namibia as a source of inexpensive energy resources, even though they have been among the most outspoken opponents of South Africa's rule over Namibia. For the United Kingdom, the United States, the Federal Republic of Germany and Canada, there have been more long-term, historical interests in Namibia going back to the 1700s. There is hardly an economic sector in Namibia that has not faced significant exploitation by transnational companies based in these latter four countries.

The following 'Country' chapters analyse the importance of Namibia to the individual Western States most heavily involved in the commercial depletion of Namibia's resources. Most of the articles also highlight the political debates that have evolved within each Western country over the continued exploitation of occupied Namibia. Presumably, these analyses also will establish a framework for comprehending the diplomatic relations Namibia will pursue with each of these Western powers once the south-west African territory is independent.



# Introduction II: Socio-Economic Interaction and Establishment of Colonial–Capitalist Relations in Namibia Before and During German Rule

Henning Melber

This chapter offers an introduction to the historical background of present-day economic relations between Namibia and the capitalist world market-place. The colonial penetration of Namibia's territory laid the foundation and pillars of the existing system and is therefore worth reflecting upon. This article tries to do so by presenting some introductory remarks on the early period of foreign influences shaping colonial–capitalist structures in Namibia, especially as they relate to the application of apartheid in Namibian society. This attempt necessarily has to be incomplete for various reasons, but it might nevertheless serve as a helpful historic background to those case studies that follow, since it demonstrates the violent character of the early process of integration into a new socio-economic system transplanted to a society in a different stage of development with internal dynamics of its own.

The passages that follow strive to demonstrate several results of historical research directed to the Namibian past: First, it will be shown that the early stage of (pre-)colonial penetration was a matter not directly related to individual or even collective efforts of any European powers, but more a result of the established colonial–capitalist system in the neighbouring Cape region. The first phase of early colonialism, therefore, was represented more by 'indigenous newcomers' to the country than by Europeans. Secondly, in the course of this process, the Namibian society of those days seemed to have been far more

differentiated and complex than it is normally assumed in the bulk of literature dealing with Namibia's past (if this period before German colonialism is considered at all), with a combination of several similar important factors resulting in the consequences forming the basis for the emerging colonial system. Thirdly, as much as German colonialism is related to Namibia's past, the system imposed early this century is related to the present patterns of foreign dominance and exploitation of the Namibian people and resources, with a specific system known world-wide as 'apartheid' and normally associated with the racist South African regime. In the case of Namibia, though, this system was born under German colonial rule and in its basic regulations has been more a Prussian trade-mark of German *Herrenmenschentum* than the Boer-Nationalist version of the later South African masters.

#### THE 'HOME-FRONT': FEATURES OF 'INTERNAL' DEVELOPMENT TOWARDS SOCIO-ECONOMIC CHANGE

Around 1800, the territory nowadays called Namibia already seemed to represent a certain entity. Bordered by the only perennial rivers in the south (the Orange) and north (the Kunene and the Kavango), and by the Atlantic Ocean in the west and the dry Kalahari sandveld in the east, the people within those natural boundaries already had knowledge about and contacts with each other as well as a perception of the surrounding regions and their inhabitants. Exchange patterns existed not only among each other, but also with the neighbouring people to the south across the Orange River and even more so towards the north, where common groups and communities of the various Ambo-societies settled on both sides of the Kunene.

The northern region, a park landscape with more fertile soil and higher rainfall than the other regions, offered suitable natural conditions for a more sophisticated agrarian reproduction basis.<sup>1</sup> On the basis of a mixed economy (mainly with agricultural cultivation and limited livestock), several different and rather independently organised Ambo-groups gained a rather secure existence. In the course of the period under consideration, this region and its inhabitants were less directly influenced by foreign penetration and only became affected immediately in the late 19th century.<sup>2</sup> The Ovambo communities were settled on a permanent basis and included a considerable number of people. Because their existence was rooted in the cultivated land, they were less mobile as a people and therefore more resistant to threats against their

community. On the other hand, nomadic cattle-herders in other areas of Namibia were more flexible and could try to avoid outside pressure by moving on to other acceptable regions. Being aware of these conditions, Europeans became more interested in settling the central plateau area of Namibia, which also possessed more suitable climatic conditions. Here Europeans could establish large farms for extensive cattle-ranching. Consequently, the northern parts of Namibia were rarely touched directly by the emerging colonial system. Therefore, we will concentrate in this chapter on the southern and central regions of Namibia, which possessed a dynamic different to the one in the northern areas, and are of more direct relevance to the process of colonisation and capitalist penetration.

Those social groups that were most affected by German colonisation were mainly the Nama-groups (members of the Khoi-Khoi) and those of the Herero. The Herero, nomadic cattle-breeders who shared with the Ambo-groups the linguistic background of being part of the Bantu-language family, occupied large parts of the central Namibian region with other Herero-clans operating far to the east and north-west. The Nama groups, sharing a similar mode of production with the Hereros, were generally less successful in cattle-breeding, owing to the fact that they operated in the climatically less favourable western and southern parts of Namibia, which have less rain and more sand. They were part of the Khoisan-language family, as were the other distinct groups of Damara and San. The latter two, smaller in population, tried to maintain an independent existence as hunters and gatherers. For the most part, the Damara and San have been ignored or neglected by the academic literature, which has placed them in the margins of local power at present, with little influence on the social dynamics of Namibia. To a certain degree, these groups were dependent upon the relations with the Nama and Herero, who tried to utilise the Damara and San for labour purposes and often integrated them into their own structures.<sup>3</sup>

In short, one finds in the early colonial history of Namibia two semi-autonomous sets of social relations and structures: the Ambo-communities in Northern Namibia, with an environment and internal development of its own dynamic and more related to the Southern Angolan communities, represented one factor in Namibian development; while the Nama and Herero communities, sharing the southern and central regions in constant contact and inter-relationship, represented the other factor of internal Namibian social change (and became the focus for colonial penetration).

Differing ecological imperatives contributed to the varying forms of household production present in Namibia.<sup>4</sup> One sees a clear correspondence between environmental features, local identity and specific economic forms of reproduction among the various societies. The development of class structures – while still in an embryonic stage throughout the territory – had progressed further among the Ovambo in the north among the Khoi-khoi and Herero in the south. Among the Herero, differences in cattle wealth had produced already a rich élite which operated on the periphery of the traditional tribal institutions. Further development of class differentiation, however, was hampered as land was still used collectively and no private property in natural resources existed. Within the Khoi-khoi societies, class division and separation between production and possession was hardly discernable, although some indications point to unequal power structures above the unit of family and kinship. Considering Namibia as a whole, it might be argued that subordinate ‘classes’, defined along ethnic lines, had already developed before German colonisation in 1883 (for example, the use of Damara as servants). The level of internal trade in the north also showed a more progressive division of labour, including specialised artisans and traders.<sup>5</sup> By the beginning of the 19th Century, the Namibian people already possessed a clear knowledge and consciousness of the natural territorial boundaries of Namibia and had continuous contact among each other. The Ambo traders exchanged goods for cattle mainly with the Herero and the Namibian communities were connected via the Ambo with a trade network to the north.<sup>6</sup>

Relationships between Nama and Herero groups to a large extent were influenced – if not determined – by existing ecological constraints, in combination with the modes and means of production common to both of them. Largely dependent on their cattle (and in the case of the Nama their small-stock), these nomadic pastoralists needed land, water and grazing opportunities as an essential basis for their individual and collective reproduction. At the same time, this economic basis tended to be expansionist in character. A clash of interests resulting in ambitions for control of more territory, therefore, was a logical consequence. In times of favourable natural conditions, a shared motivation to prevent an increased and notorious conflict seemed to function. But in times of natural constraints (for example, drought and other limitations) the clash of interests and the struggle for control of the necessary means of production (land and water) increased. Accumulation of wealth was largely due to expansionism, which inevitably led to conflicts with

neighbouring societies with similar production as well as to competition among units sharing the same 'tribal' identity.

Consequently, ecological constraints and imperatives often resulted in military competition among the local population, including sectional rivalry among members or units of the same ethnic group, for control of natural resources that were necessary for maintaining the basis for economic production and reproduction. From the early 19th Century, frequent (but locally isolated and restricted) military actions were characteristic of the southern and central Namibian regions, including inter-Herero conflict and raiding as well as competition between the Herero and Nama.<sup>7</sup>

It can therefore be concluded that at the turn of the 18th to the 19th Century, in southern and central Namibia, internal forces were in a dynamic process of expansionism and competition. Although highly influenced by natural environmental factors, this competition remained manageable by those involved in the process and led to an uneasy balance of power over economic relations and social interactions. The Herero continued to represent the most influential actor in this dynamic process.

More recent research seems to suggest that in the southern and central parts of Namibia the interaction of the local population prior to colonial conquest was only partly influenced by ethnic background and identity. To a certain extent, such social formations represented only one of several factors that contributed to the transformation of the modes of production during colonisation.<sup>8</sup> Simplistic reductions to ethnic identities, as well as Marxist economistic perceptions of subsequent stages of social development in correspondence with the economic change, have been challenged in more recent analyses.<sup>9</sup>

A consensus seems to be emerging that the internal development of the southern and central parts of the country (which later came to influence Ambo-groups living at the southern edge of northern Namibia) was fundamentally affected by the immigration of Orlam-clans, factions of the Khoi-khoi communities who had previously lived around the Cape. These Orlam communities cross the Orange River early in the 19th century as refugees from the emerging colonial system in neighbouring South Africa. Robbed of their land by invading Dutch colonisers, they tried to escape final bondage by moving further north. Many of them already had experienced dependent (wage) labour on European farms or had made their living around missionary stations in constant contact with Europeans. They generally spoke Cape Dutch and had converted to the Christian faith. Far more important for the

further development within the new environment of southern Namibia, they also knew very well how to make use of their guns and the mobility provided by horses.<sup>10</sup> By the time they arrived in Namibia, the Orlam communities were organised in a quasi-military fashion and possessed a higher degree of social and political centralisation than the resident Nama. The Orlam also were superior to the Nama in terms of combat skills.<sup>11</sup> The immigration of the Orlam at the beginning of the 19th century escalated the competition for use and control of the natural means of production (land and water resources). This competition intensified even more with the diminution of these resources, especially following the severe drought in 1829–30. Finally, this conflict led to a protracted military confrontation between the groups in the southern and central regions of Namibia, who were forced to develop expansionist tendencies. The clash between the Khoi-khoi and Herero communities, who sought to achieve dominance over central Namibia, can therefore be seen as a struggle for survival in the face of increasingly scarce resources. At least indirectly, this development also demonstrates the far-reaching effects of European colonisation and settlement at the Cape. The migration of the Orlam communities indicates that African groups could not avoid fundamental threats to their original way of life. To escape these threats, these groups were forced to become a threat to other people in neighbouring regions.

It was during this period of increased competition and struggle for cultural and economical survival that the first attempts were made to transcend the local communal forms of organisation and to establish larger, regional power structures. In a very limited way, it is possible to discern early steps towards the creation of a state apparatus in the establishment of hegemonial rule over tribal functions which until then had been independent social entities. Such a process of 'state formation' implied a military rule, whose realisation and stabilisation necessarily provoked further military conflict. In this context, it is questionable whether the military superiority of Orlam communities could be considered a more advanced and sophisticated form of economic organization. After all, the Orlam system of 'reproduction' involved the extensive practice of robbery to acquire valuable goods that could be exchanged for 'European' commodities offered at the Cape market (mainly guns and ammunition for further strengthening and securing the military basis of the hegemony, but increasingly also other products and goods for consumption). Meanwhile, a few recent studies suggest that the supremacy of the Orlam in mid-19th century Namibia had implications for the further development of more centralised power

structures and authorities, while at the same time opening the Namibian society for European interests. As Lau notes,

the period of Orlam rule in a very drastic and destructive way initiated the irreversible process of merchant capitalist penetration. Since their own productive base was not at all, or only very weakly, developed, their political and military domination entailed a progressive exhaustion of some of the territory's economic resources.<sup>12</sup>

The establishment of a hegemonial structure under the leadership of the Orlam (in alliance with Nama factions and a few Herero chiefs) therefore contributed on the one hand to the consolidation of new, larger structures of power and a unifying tendency on a regional basis, while at the same time decisively weakening the existing local structures. As a result, the subsequent colonisation of the territory and its people was made easier.<sup>13</sup> Although Jonker Afrikaner and his Orlam–Nama–Herero allies represented a new hegemonial power structure in the mid-19th Century, Namibia's further development became inseparately related to the emerging European interests.

#### INCREASING FOREIGN INFLUENCE: INTERACTIONS IN THE COURSE OF EMERGING NEW EXCHANGE PATTERNS AND THE ESTABLISHMENT OF COLONIAL RELATIONS

Missionaries, traders and representatives of mining companies were the early agents of an informal colonialism that became active in the territory from the beginning of the 19th century. Their ideological and economic influences remained rather sporadic and harmless until the mid-century. Although they had some catalyst effect from the very beginning of their activities, they never managed to control or to direct the internal social process of transformation during this period.<sup>14</sup> This situation changed in the 1850s. From then on, the increasing influence, especially on the Rhenish Mission, proved to be of considerable political, economic and social importance in the further development of Namibia's internal social structure.

Less significant were the first mining activities in the country, which consisted of the exploitation of the large guano deposits on the islands off the Namibian coast, as well as various offshore fishing enterprises. Although these economic activities by foreigners resulted in the first exploitative activities along the coast,<sup>15</sup> this extraction of natural wealth resulted in little direct contact with the Namibian population.

The first attempts at ideological interference and influence by representatives of Christian missionary societies also had little effect on the various Namibian communities. In general, the sporadic and uncoordinated activities of individual Europeans did not threaten the economic or social structures of Namibia. It should be noted, however, that such effects and consequences varied according to the general situation of specific communities. The Herero, for example, were able to reproduce themselves economically by their immense wealth of cattle, and were thus able to demonstrate some immunity against foreign cultural and ideological influences. As previously discussed, the Ambo settlements in the North had little direct contact with Europeans; rooted in the land they cultivated, their social organisations were a challenge to the Finnish Missionary Society as late as the 19th Century. The communal units of the Orlam, on the other hand, were easily undermined by the colonial influences/which they first experienced in South Africa. Here, foreign ideologies penetrated more quickly and had greater impact. Nevertheless, even in the south of Namibia the mutual relations between missionaries and local leaders were never a one-dimensional or unilateral affair. The chiefs or captains always sought to make use of the position of the missionaries for the realisation of their own interests. The London Missionary Society had to experience this in the early half of the century with much frustration, and finally gave up its activities in the territory. The Wesleyans made another attempt during the 1830s and, although in direct competition with the Rhenish Mission which was established in 1842, even managed briefly to become the most important missionary enterprise in 1844. But when the Rhenish Mission gained increasing influence, the English Methodists decided to give up their activities in Namibia in 1850.

The Rhenish Mission by that time had embarked upon a concept which proved to be more successful than the direct proselytising activities had been. Through extensive trading activities, the missionaries soon managed to influence the further social and political development in the territory south of Ovamboland. Here it is necessary to differentiate between the sphere of influence of Christian ideology and the effectiveness of political-economic factors. The latter sometimes existed without ideological penetration (that is, Christianisation of the tribal communities) and usually turned out to be more effective. The degree of political influence of the mission, moreover, did not really depend upon the personal intentions of the missionaries. Instead, it was often the existing local structures which influenced the political power of the mission.<sup>16</sup>



As mentioned above, Namibia in the mid-19th century had reached a stage of internal competition between the Nama and Herero for overlordship, which was leading to a rudimentary process of state-formation. In this environment, the Rhenish Mission Society could profit from the fact that the Orlam factions were already Christianised and prepared to cooperate with the mission. This supported, albeit unintentionally, the extension of its zone of influence and power. When Jonker Afrikaner, the leader of the Orlam and of an alliance representing the hegemony in the central and southern parts of the territory, finally disputed the mission's claim and founded his own spiritual community, he forced the Rhenish mission out of the centre of power and thereby became objectively an enemy of the mission's far-reaching ambitions for control of the power structures. The Rhenish Mission in the 1860s therefore started to concentrate its support to the Herero communities. The Herero mission, in turn, stimulated the challenge to the Orlam/Nama hegemony. This relationship further complicated the conflict between the Nama and Herero since the Herero mission enjoyed a near-monopoly of access to manufactured goods, including arms and ammunition which it could use to selectively support specific leaders or communities. The impact of the Rhenish Mission thus can be seen as tantamount to the fostering of particularistic forces in opposition to the establishment of centralised power structures.

In spite of these efforts, Jonker Afrikaner remained firmly in power as the undisputed leader and ruler of the Orlam/Nama alliance. It was under his command that the so-called 'Baiweg' was constructed, linking Windhoek, Jonker Afrikaner's residence, with Walvis Bay on the Atlantic coast. The Baiweg was one of the more prominent examples of 'modernisation' brought about by inter-ethnic and external trade relations. The Baiweg, a road averaging twenty-five to thirty feet wide, served as a transport route mainly for the export of cattle and the import of commodities such as guns and ammunition. A copper mine near the road, already under operation in 1840 and run by South Africans on concession by Jonker Afrikaner, was allowed to make use of this innovative infrastructure to transport ore to the coast. In return for this service, the South African miners had to pay taxes to Jonker Afrikaner, including those miners who had assisted in the construction of the road by lending more appropriate tools.<sup>17</sup>

Jonker Afrikaner's leadership also was represented in the field of agricultural development. He initiated the cultivation of figs in the vicinity of his residence at Windhoek,<sup>18</sup> but in spite of this, efforts by

missionaries to stimulate agricultural production among Nama and Herero on an organized basis seemed to have little effect.

On the other hand, the use of European craftsmanship was more eagerly and willingly accepted and learned.<sup>19</sup> For one thing, the rich Herero communities wanted to participate in the newly emerging market for their large herds of cattle. While the bulk of the literature normally argues that cattle were a highly religiously controlled possession, secured by any means by the Herero for 'obscure myths', it now seems more likely that the Herero attachment to cattle was a well-organised attempt to maintain control of the cattle-market and to secure a dominant position in the local economy.<sup>20</sup> Until the mid-1890s, the Herero continued to dominate the cattle-market. Nevertheless, the first European messengers of foreign interests (mainly traders and missionaries, both 'explorers' at the same time) began to pose an additional threat to the ambitions of the local Herero groups to secure their means of production. This resulted in various attempts to protect this locally-based economy and the respective connecting trade routes. Such possessiveness was often interpreted from the Eurocentric point of view as 'dishonesty' against missionaries, traders, travellers and explorers.<sup>21</sup>

By the mid-19th Century, Herero trade with the Cape and other European agents was estimated to amount to an annual average number of 10 000 horned cattle plus numerous sheep and goats, mainly in exchange for guns and ammunition. During the 1860s, the export of ivory also gained in importance, with skins, hides and ostrich feathers serving as complementary forms of payment to traders.

One recent study has documented 'the increasing commodisation of the production process' during mid-19th Century social transformation in southern and central Namibia, resulting in 'competition for resources and social and political power' which focused 'on access to commodities from the Cape rather than on different 'ethnic' or historical origins'.<sup>22</sup> But with the decrease of Kommando power by the Orlam/Nama alliance, indigenous opportunities to control the access to local and regional resources was considerably weakened and finally broken. As a result, 'the country was freer than ever before – to be controlled by the agents of merchant capital and colonialism'.<sup>23</sup>

One of the earliest efforts to ensure Namibian participation in the newly emerging European-dominated economy in southern Namibia was the Peace Treaty of Hoachanas of 1858. This agreement, signed by nearly all the representatives of local power in the southern Namibian region, was an impressive short-lived attempt to maintain some African control over the changing situation in Namibia. The participation of

missionaries in the drafting of this document led to a strong emphasis on the independent position of the individual religious leaders, who maintained their opposition to all efforts to establish stronger centralisation of the existing power structures. Among the more important passages in the Treaty were the following:

In the name of the Holy Trinity, the Father, the Son and the Holy Ghost, we the undersigned have resolved to unite in the following treaty:

Article 1: No chief with his people will have the right, should a dispute arise between him and another chief of standing, to pursue his own vindication, but shall be pledged to bring the case before an impartial court.

Article 2: When the case has been examined by the impartial chiefs, the guilty party shall be punished or a fine shall be imposed upon him. Should he be unwilling to comply with the judgement and should he attempt to dispute the issue by force of arms, then shall all the treaty chiefs be pledged jointly to take up arms and punish him...

Article 5: No chief may permit copper being mined in his territory without the knowledge and agreement of all other chiefs, or to sell a farm or site within his territory to a white person from the Cape Colony. Whoever despite this makes such a sale shall be heavily fined, and the purchaser himself will have to bear the cost if he has been acquainted with this law beforehand.

Article 6: We resolve also to close our bond and treaty with all Griqua chiefs. Should they need us in any major war which may befall their country, then we are ready to come to their assistance...

Article 8: No chief shall allow himself solely on account of rumours to become mistrustful and be prepared to take up arms without getting written proof thereof. Should this provision nevertheless be broken, the chief responsible will be heavily fined by the other chiefs...

Article 10: It is also resolved that each year a day and date will be agreed to consult together for the welfare of the land and the people.<sup>24</sup>

The peace treaty was signed by seventeen local leaders from the southern and central parts of the Namibian territory and in the presence of a delegate from the neighbouring Griqua of the Cape Province as well as the most powerful single Herero leader at this time, Maharero.

The death of the two leading personalities in pre-colonial Namibia, Jonker Afrikaner and his Herero ally, Tjamuaha, during the early 1860s

finally resulted in the decline of the Orlam–Nama dominance and created new tendencies of particularism among the local communities which were encouraged by foreign interests. Such growing atomisation benefited the Rhenish mission's ambitions to expand its control over the territory. The mission's activities consequently shifted from an indirect military–strategic involvement to economic and ideological pursuits. The Mission gained far-reaching influence on the economy, as well as in religious and educational activities.<sup>25</sup> Through these activities, the Mission created a host of new wants and a wide range of new skills marketable only within a capitalist economy. The values introduced by the missionaries represented, at the same time, their own eurocentric and culture-bound perspective and perception.<sup>26</sup>

A rudimentary development of a capitalist economy soon emerged. Under the influence of the mission and in the vicinity of mission stations, some Herero started to cultivate corn. As early as 1865, a surplus was sold for money to English miners living nearby, and in the years following this surplus, production continually increased.<sup>27</sup>

The domestication and internalisation of these capitalist dispositions became visible with other neighbouring groups as well. Some Damara, the Omene ('resident people'), who lived in separate villages within the Herero region, began to breed small stock and, later, cattle under Mission supervision. They also cultivated crops for sale on the market.<sup>28</sup> Thus, at the dawn of formal colonial rule Namibian communities, in varying degrees, already were integrated into the emerging new economy, participating in supra-regional markets, and had adopted at least fragments of a mode of production offering them more than mere subsistence. Even a group of Nama at this time were cultivating corn at Bethanie on a moderate but rather successful basis.<sup>29</sup>

While the Mission played an influential role in Namibia during the second half of the 19th Century, their activities were far from completely systematic. In view of the uncertainty over what the future might hold (no colonial power had yet shown any readiness to annex the territory), the activities of the mission remained limited to what might be described as creating suitable preconditions for a colonial take-over.

## FINAL DEFEAT: THE ESTABLISHMENT OF FORMAL COLONIAL RULE

During the beginning of the 19th Century, the British established a station at Walvis Bay to buy cattle from the local Namibian population,

mainly to supply St. Helena Island during the time of Napoleon's involuntary stay there. In 1861 the guano trade was added to the supervisory responsibilities of the post. Finally, in 1878, Walvis Bay was declared British territory, mainly for the protection of the few economic activities conducted there by British individuals. But these operations remained on a comparatively low scale, thereby allowing the German empire the chance to declare the rest of Namibia a protectorate in 1884. 'German South West Africa', as the colonial possession was labelled, represented Germany's first colony and secured the much wanted 'place in the sun' and 'dream of empire' as demanded by colonial-enthusiast circles.<sup>30</sup>

The initial phase of official German colonialism in the territory can be divided into two stages: the concessionary period and the period of treaties. The concessionary period, at the beginning of the 1880s, paved the way for the official annexation of the land by the German Empire. It created *de facto* colonial possessions as private property in German hands, even though ownership rights were mainly based on very dubious agreements with local headmen.<sup>31</sup> Furthermore, the local leaders agreed to these pacts and treaties according to their own traditional understanding and interpretation of ownership rights: private property in the capitalist meaning had until then been an unknown phenomenon with regard to the use of land. Land had been the collective property of the local community, and granting conditional rights for use of natural resources was a familiar practice.

On 5 September 1884, the German Empire formally declared the south-western coastal strip of Africa under its flag. But soon the area under her 'protection' stretched from the Kunene River in the north to the Orange River in the south and to the sandy desert of the Kalahari in the east. This formal declaration of colonial responsibility was followed by a period in which a representative of the German Empire tried to conclude 'protection treaties' with the local chiefs. In general, these individual agreements and treaties between the German Empire and the local communities were designed to prevent the re-establishment of any African hegemonial structure in the southern and central parts of the territory. The basis for this policy existed in the antagonisms produced by the decline of the former Orlam–Nama hegemony and the growing strength of other social forces with particularistic interests. The aim of the new foreign authority was directed towards the establishment of a balance of power among the African social entities, which would allow further colonial penetration without coordinated resistance from the African side.

But the German Empire at this time was mainly preoccupied with building its own internal capitalist system. It was not yet in a position to take a systematic advantage of its colonial possessions. Economic interests within Namibia were mainly represented by a number of private 'concessionary companies'. These existed in the main for speculative purposes only. They were designed to make short-term profits and were not interested in making capital investments, or in the development of a field of economic activity. After all, ample investment opportunities still existed at home. Economically and politically, the colony was attractive during this stage only in terms of developing a settler colony.

As a result of the German government's vague and hesitant handling of the colonial question, the concessionary companies within Namibia originally had the power of a para-state. The German authorities at this stage were not much interested in establishing functioning administrative structures, and left the management of the territory to the land companies. They in turn were only interested in adding more land to their possession and acquiring more mining rights. Consequently, the territory turned out to be a complete loss for the German government. But while the colonial involvement faced the danger of a financial collapse, individual merchants were able to take advantage of the secure colonial outlet by gaining tremendous profits in local trade.<sup>32</sup> Facing this situation, the German government by the end of the 1880s decided to increase its colonial engagement in Namibia and, finally in 1890, formally took over the colonial administration with full responsibility for and control over the further development of the territory. The official German administration established itself in 1893. Only from that time on did a colonial power structure and administrative apparatus come into being, which in its aims and effects was soon to threaten the existence of certain Namibian groups.

In the years following 1890, the German colonial power attempted to integrate the existing local power structures into the administrative system and tried to make use of them as part of its concept of rule. This policy aimed at the domestication of the African population by tying the local communities to German foreign rule through new agreements with their leaders. During this time, the ambivalent character of the traditional African chieftainship became visible in all its variations: passive bribery on the one hand, active participation and leadership in anti-colonial struggles on the other marked the wide range of reactions by local leaders to the emerging system of foreign domination. Cooperative chiefs, who were prepared to serve as collaborators in the

interest of the colonial administration, were rewarded with pensions up to 2000 German Marks annually. For the first time in Namibian history, reserves became established which, later, were considered under Apartheid policies as 'traditional homelands'.<sup>33</sup>

The implementation of German colonial policy also included the violent repression of non-cooperative leaders whenever it was necessary. Some leaders were liquidated, and others were forced into pacts with the administration. By the mid-1890s, the Germans, under governor Leutwein, had managed to establish a sort of alliance with Namibian leaders, applying their military superiority only in situations where the chiefs would not 'voluntarily' compromise. The German colonial authorities thus gained a loose supremacy and overlordship within the territory. Decisive for the success of this policy was that the German administration managed to win control over the two most influential tribal leaders of the southern and central parts of Namibia, Hendrik Witbooi of the Nama alliance, and Samuel Maharero, the paramount chief of the Herero. Maharero cooperated with the Germans in return for the support they offered him in the stabilisation of his powerful position (which, in fact, was only created with the assistance of the Germans, as nothing like a 'paramount' chief had existed previously among the Herero communities).

Hendrik Witbooi, at this time ambitious to reconstruct a new Nama hegemony and having spent years in conflict with those particularistic forces opposed to his claims, was forced in to a treaty by the uncompromising application of military violence and his defeat by the German troops.<sup>34</sup> Strongly rooted in the tradition of his tribal authority, Witbooi became the most prominent representative of traditionally-based resistance to foreign rule. With the 'domestication' of the Witbooi-Nama, the Germans established a tenuous political control over the scattered local communities.<sup>35</sup>

It seems worthwhile in this context to understand Witbooi's position in more detail. His personal diary (mainly correspondence in Cape Dutch during the years 1884 to 1894), which fell into the hands of the colonial conquerors, is one of the few and by far most impressive documents of this phase of anti-colonial resistance. At the same time, Witbooi's position, as articulated in his letters, exemplifies how traditional interests sought to protect their own spheres of influence against the early colonial invaders.

On 27 June 1892, Hendrik Witbooi expressed a grave warning to Chief Joseph Fredericks of Bethanie, who was the first of the local

chiefs to sell land to Europeans and who later agreed to a so-called protection treaty with the German Empire:

I am very angry, indeed, with you and other chieftains of Great-Namaqualand for having accepted German protection. By doing so you now allow white men to influence our lands and you give these people rights they should not have. I see the Germans very differently from you. They claim to protect you against other big nations. But it seems to me that they are the big nation trying to enter our lands with power.

I can already see them governing us with their might. I can see them passing laws which forbid us to do things we are accustomed to do. I therefore cannot agree to your giving away land which would permit these Germans to live and to work here.

Please, my dear chieftain, do take back this decision and do not tolerate any white men on your territory.

If they were merely your own people I would not object at all because we are one and should be able to get along with each other. But I cannot see any peace coming out of this arrival of the Germans. Incidentally, they praise their own deeds and strength far too much.<sup>36</sup>

In another letter of 7 August 1892, Witbooi on behalf of the Red Nation – as the Nama called themselves – issued a further serious warning to Joseph Fredericks and applied to him anew to stop the sell-out:

As I have already told you at an earlier occasion ( in letter No. 60), we, the chiefs, of the Red Nation, handle things in such a way that there is no problem when people live together on the same spot. Nobody shall hinder them or make things difficult for them. We chiefs have the power to make life agreeable for everybody. This, however, is totally different from the Germans. This is why I do not want you to give these people further rights in our territory. This would amount to giving them more power and influence. And this I definitely do not want to happen. I also do not wish to see this happen in the areas between your territory and mine. I speak not only of my territory. I really do not want you to give any further land to these people. I want to stop this and wish to let you know that I cannot agree with it.

I think that you chiefs under German protection should reflect upon the fact that I have not yet succumbed to this kind of protection. This might help you in the near future. It might look to you like the



piece of meat which has been stored for future and more difficult days. You have already surrendered to these people, and once these people flood you with their impossible, unbearable yet powerful laws, you might see some hope in men, and you might desire to join my side.<sup>37</sup>

In response to the colonial threat, the various groups intensified their contact with each other on a more solidaristic basis instead of fighting each other for military superiority within the region. Among the Nama and Herero, the increasing danger of losing their independent authority led to increased diplomatic communication and an arrangement between the old rivals, Hendrik Witbooi and Maherero, who were willing to join together to resist the growing colonial advances. One proof of these efforts is a letter in which Maherero responds to a note he received from Hendrik Witbooi. On 1 November 1892, Maherero wrote back to the Nama chief:

I have been informed that Boers are intending to come to our land. Please keep this in mind and do not permit them to move through your territories. I do not want them to come here and I do not want them to settle on your territory. Try to stop them from settling here and do not wait until too many of them have come to this land.<sup>38</sup>

But resistance to the colonialists was in vain. When the Germans started to put pressure on Hendrik Witbooi to end his independent chieftainship and to force him to accept a so-called 'protection treaty' with the colonial authorities, his resistance was met with military violence. With the ultimate 'integration' of the Nama-Witboois into the colonial system, the German administration for the first time gained control over southern and central Namibia.

The cooptation of the local leaders was intended to keep the African population at bay. But the necessary complementary measures for a general social integration of the African people into the emerging structures of the colonial settler society were neglected.<sup>39</sup> The establishment of educational opportunities and other cultural institutions for domestication of the colonised majority still depended solely upon the activities of the missions. Opportunities for careers within the colonial administration or the structures of the settler community virtually did not exist. The establishment of the infrastructure was oriented only towards the advantage of the immigrating whites and was not designated for the benefit of African inhabitants. In short, the policy at this time was to extend and stabilise integrative

mechanisms to the settler economy.<sup>40</sup> The limitations of this system became obvious with the increasing settlement of Europeans. The only real economic opportunity for the immigrating whites was extensive farming, or more precisely, ranching. Therefore, the main interest of the settlers lay in the systematic expansion of land possessions and cattle herds which required the further expropriation of African land and resources. This expropriation came to involve the complete destruction of the people's basis for reproduction and their social relationships without offering in return suitable opportunities of employment and wage-labour within the capitalist sector of the colonial economy. The settler's interests were oriented primarily to the narrow goal of appropriation of land and cattle by means of violent or fraudulent practices and the 'legal' backing of these methods by the colonial administration. Governor Leutwein, who originally favoured more enlightened ideas of an administration serving the interests of all inhabitants of the country (at least to a certain extent), faced a serious dilemma. But in not wanting to risk a confrontation with the settler community, he passed new legislation directed against African interests and assisted the implementation of the settler's ambitions. These actions resulted in a considerable shift of priorities in colonial administration policy. While the original concept of Leutwein had been aimed at the establishment of a state apparatus, consistent with European models, in which the Africans should have the opportunities to adapt to the emerging new structures and social relations, the colonial administrative body gradually extended more and more unconditional support to the violent means of oppression and expropriation as practiced by the settlers in pursuit of their own economic interests. Compensation and economic incentives, basic prerequisites for the integration of the colonised majority into the structures of the new colonial society, could not be offered as essential parts of an 'appeasement policy'.<sup>41</sup>

In spite of these rigid tendencies during this phase of settlement and its consequences for economic penetration, the Herero had remained the strongest economic group during the first half of the 1890s. They still possessed an immense wealth of cattle and occupied the best grazing lands. And although they did not yet participate in the established colonial network of capitalist trade, they dominated the market structures by sales of cattle. Their economic dominance was only destroyed by a cattle epidemic in 1897. This robbed the Herero of the great majority of their cattle and for the first time endangered their basis of production, thereby decisively weakening

their economic and social position. Two examples demonstrate the devastating result of the rinderpest. Chief Tjetjo of the Herero who resided near the Waterberg area with an enormous cattle herd and thousands of oxen, was left with as little as five to eight cattle for every hundred he once had. Even worse was the destruction further to the west in the Herero region where the captains Muambo and Kajata, who originally possessed several thousand head of cattle, were left with only some forty cattle.<sup>42</sup> The destructive consequences of the rinderpest were appreciated by the Germans as being of economic advantage to their colonial interests, especially with regard to the impoverishment and destabilisation of the Herero.<sup>43</sup>

The immense loss of cattle made the Herero more dependent upon the European goods offered on the market and confronted them with new dependencies. Since trade with cattle was excluded, the possession and sale of land started to become the basis of exchange relations. For the first time, impoverished Herero in sizeable numbers started to earn their living as wage labourers. White settlers now entered Hereroland to settle on a permanent basis, and the Namibian economy gradually started to develop along European lines. As this development began to reduce political risks, German capital for the first time began to participate in the long-term planning of economic development within the colony. Colonialists pressed for the construction of a railway network and other infrastructural investments for the development of the country's resources. These measures provided strategic–military value and at the same time facilitated the exploitation and export of Namibian resources.

The 'labour question' now came to the fore as the most burning issue. As the need for African workers increased, the chronic shortage of labour became the main economic problem. To increase the supply of badly needed labourers, colonial authorities made use of increasingly violent methods to recruit workers. Labourers for white farms, mines and railway construction became a much sought-after prize. The uncomprisingly violent character of the German colonial regime became even more obvious than before, as a strategy to force the black population into the colonial–capitalist economic system.

Under such conditions, resistance became for the Africans a necessity for survival. At the turn of the century, a series of local rebellions took place. Restricted to regional and uncoordinated actions, they ended in military defeat and further restrictions. The suppression of these isolated armed risings was used by the colonial authorities to further expand the policy of creating local reserves. At the same time, the defeat of

these ineffective forms of resistance resulted in African 'peace treaties' with the colonial regime, which managed to improve the efficiency of the system of control and dictated limited areas for settlement for the defeated communities. Rebellious leaders were executed, land was confiscated, and the people were disarmed and deported for use as forced labour, especially for railways under construction. But the antagonisms increased further and an escalation of resistance was inevitable. In the struggle for their survival, the Herero were the first to rise collectively in arms, to defend themselves against the violent destruction of their independent existence. The German–Namibian War of the years 1904 to 1907 was, under the existing social conditions, a simple act of self-defence by the Namibians.

The war began with a secretly planned and collectively initiated attack by the Herero in January 1904 against the German settlers and troops. Far from being an irrational slaughter by 'savages' (as the hysteric contemporary colonial literature claimed), this was a clearly directed response to the threats posed by the immediate colonisers. The order issued by Maharero was followed with only a few exceptions:

In my capacity as Supreme Chief of the Herero I hereby decree and resolve that none of my people lay their hands upon the English, the Bastards, the Berg Damara, the Nama and the Boers. We shall not lay violent hands on any of these. I have made a solemn pledge not to make this known to anyone, including the missionaries.<sup>44</sup>

This statement, which clearly differentiated between the colonising Germans and other 'outsiders', was later supplemented by an explanation offered by another Herero leader, subchief Daniel Kariko, who indicated that: 'At our clandestine meetings our chiefs decided to spare the lives of all German women and children. The missionaries, too, were to be spared... Only German men were regarded as our enemies'.<sup>45</sup>

Of course, this comparatively humanitarian approach had little effect on colonialist reactions. Leutwein, criticised from the beginning for his 'liberal' and 'kaffir-friendly' attitude, was forced to retire from his position. His successors represented the prevailing reactionary mood of the settler community and the colonial–nationalist factions within the German empire. These interests concluded that the genocide of Namibian population groups who were resisting was a necessary task and even a cultural necessity.<sup>46</sup> This dominating philosophy culminated in an extermination order against the Herero, issued at a time when they were already decisively beaten. Of an originally estimated 80 000 Herero, only about 16 000 were believed to be still alive after the war.<sup>47</sup>

The military struggle for the survival of the Herero caused hysterical reactions among the settlers and resulted in a campaign against all Africans. Inhumane racist attitudes reached a paroxysm of ignorance and prejudice, resulting in violent actions and repressions all over the country.

Aware of these growing tensions and threats, Hendrik Witbooi – who was now over 70 years old and passively settled within the borders of a reserve for the past decade – finally led his people into battle at a time when the Herero already had been destroyed.

The political intensions and the military aims of the Nama struggle were identical to those of the Herero. They simply wanted to preserve their traditional social and economic life. The Ambo participated only marginally in this war since they were still largely unhampered by the German authorities in their settlement area. For a while, the conflict seemed destined for a military stalemate. On the one side, the German troops with their clumsy strategy of conducting a regular war with superior but immobile material were fooled again and again by the small groups of Nama combatants operating in the south. On the other side, by leaving their regions and keeping mobile, the Namibians consistently left their remaining land to the enemy.

While the Herero had already sought a decisive and unsuccessful battle with the technically and militarily superior German troops in 1904, the Nama in the south of the territory were conducting an efficient small-scale guerrilla war. The most effective of these military forces was led by Hendrik Witbooi and Jacob Marengo (often incorrectly referred to as Morehga). Ethnic differences played no important role among the combatants in these small battle-units. In fact, the guerrillas fighting in the south could be seen as another nucleus of the emerging Namibian nation in its anti-colonial struggle. Nevertheless, Hendrik Witbooi eventually suffered death from a battle injury, and Marengo was killed several years later with the support of English colonial authorities in the neighbouring Cape Province.<sup>48</sup> Once more the price of resistance proved to be bloody: it is estimated that less than half of the approximately 20 000 members of the Nama communities survived the battles, or the imprisonment and forced labour that followed their defeat.

## THE NEW SYSTEM: COLONIAL–CAPITALIST RELATIONS IN A SETTLER SOCIETY

With the total and final defeat of the Africans fighting in the central and southern parts of Namibia, the German colonial power had by

1907 gained complete control over the territory. Afterwards, those areas of Namibia south of Ambo-settlements were converted into a settler colony dominated by Europeans to an extent even greater than that of contemporary South Africa. Of the surviving Nama and Herero who were initially put into concentration camps, almost everyone was forced into the status of slave labour in the services of the colonial economy. By 1914, only about 200 men of the two groups were reported to be not in employment.<sup>49</sup> With the 'pacification' of southern and central Namibians, economic activities were intensified. But the consequences of the insane philosophy of extermination that was applied during the German–Namibian War of 1904–07 became obvious as a serious shortage of workers soon arose. The physical destruction of the African communities, though calculated in the course of German military actions, ran counter to the economic logic of capitalist interests.

The white settler community, faced with this chronic labour-shortage, once more relied upon the intensification of violence. The colonial administration initiated regulations which would prevent further organised resistance by the African majority once and for all. A law was issued in 1905 to prohibit mixed marriages between Europeans and Africans. Consequently, the already existing social separation according to racial categories was legally cemented. Racial differences were to be the foundations for the colonial class antagonisms and were the criteria for strict social segregation.

The greater portion of the new regulations were intended to force the Africans into employment in the colonial–capitalist sector, while at the same time they attempted to destroy the last ties between the local communities. In 1906, all non-Ovambo were prohibited from entering the northern part of Namibia. Also in the same year, the authorities decided to expropriate almost all communal land and cattle from Namibians living south of Ovamboland. This step destroyed the last opportunity for Africans to continue, at least on a modest basis, their traditional production and social organisation.

European domination was now deeply entrenched in all social spheres; serious alternatives to the newly-established system were no longer articulated. The colonial economy, however, was still faced with labour problems. This became the leading concern for the administration, and became even more urgent when diamonds were discovered in 1908 and a labour-intensive diamond industry came into being. The basis for the further recruitment of cheap African labour was provided by Ordinance No. 82 of 18 August 1907. It regulated anew the control of the African population, defined the contracts for service and employment

and created an obligation for Africans to carry a pass. It also called for the prohibition of cattle breeding and land-purchase by Africans, introduced organised contract labour and offered detailed provisions on the pass system.

The settlement area of the Ambo tribes, until that time influenced only indirectly by the German colonial administration and never of any real interest to the white settlers, now became increasingly attractive as a potential reservoir of black labour to be used in the colonial economy.<sup>50</sup> Until that time, the Germans had not included the northern part of Namibia in their immediate and direct sphere of control. Instead, they established a moderate degree of influence largely based on the cooperation of the Ambo tribal leadership. Direct German control was restricted to the central and southern area, the so-called 'Police Zone', which stretched from the southern border of the Ambo area to the Orange River. While the potential of the Ovambo as productive forces within the colonial economy gained greater importance with the discovery of diamonds in 1908, a regulation passed in January 1906 had already provided an organisational framework for the recruitment of Ovambo workers. In subsequent years, Ovamboland became the supply-base for migrant labour and Ovambos were effectively integrated with the capitalist sector of the colonial society.<sup>51</sup>

Once again, in the course of these events, a natural catastrophe supported the aims of the colonial rulers. A severe drought in the northern parts of Namibia from 1912 to 1914 forced many Ovambos to earn their living within the money-economy of the settlers. In 1911, the first governmental labour management institution for contract workers was installed at the border of Ovamboland. At the end of 1912, agents were appointed to recruit migrant workers in the northern area. With this economic penetration of the Ambo societies and the integration of their labour potential into the money economy of the colonial sphere of production, a military invasion and subjugation of this area became unnecessary. The expansion of the colonial economy had undermined the mode of production and social structures of the Ovambo much more effectively and profitably. In an internal report to the Imperial German Government on 27 January 1912, Hanno Haahti (the inspector of the Finnish Missionary Society who had previously travelled to Ovamboland) wrote:

Firstly, a good part of the cultivable land and that which was already cultivated before remains lying fallow as a result of the migration of

young strong men as the indigenous people themselves deplore it and as I saw it with my own eyes; the arable lands become smaller and smaller and have fewer yields because the strength of women is not enough to obtain the means of subsistence from the soil necessary for a big family.

Secondly, it is erroneous to presume that the worker who returns home can even bring with him a considerable fraction of his earned wages. Men who work in the South for 6 months bring home as a rule practically nothing and those who work away from home for about 10 months return with only worthless trifle and only augment the misery of the family suffering from shortage of food.<sup>52</sup>

And Governor Seitz, in a letter to the former Imperial Colonial Office at Berlin dated 30 January 1911, had the following report:

Ovambos who set out from Luderitzbucht on homeward journey due to illness die on the way from shortage of provisions and most of them are exploited by traders on the way from Swakopmund to Okaukuejo in such a way they merely bring home scurvy and other diseases with them as a result of their work on the diamond fields.<sup>53</sup>

By 1913, about 90 per cent of the adult male Africans within the 'Police Zone' were estimated to be employed in the capitalist sector. More than 12 500 worked on farms, and nearly 10 000 worked in the larger mining and government enterprises. They were joined by Ovambo migrant workers, whose numbers at this time amounted to between 11 000 and 12 000 a year. 'German South West Africa' began to flourish, and, for the first time in the colonial history of Namibia, profits on a large scale were realised. Yet the Africans were worse off than ever before.<sup>54</sup>

The last stage of the German colonial era in Namibia was characterised by the inhumane logic of the colonial-capitalist system in realising as much profit as possible, even at the price of the lives of large numbers of African workers. The application of physical violence still continued under this system, largely sanctioned by the legal apparatus. Racial hostility became, in fact, identical to class antagonism. And when South African troops occupied Namibia in 1914-15 and the German empire had to relinquish its colonial territories under the Versailles treaties, the loss of this profitable colonial prey was widely mourned throughout Germany.

After 70 years of South African occupation, the situation for the Namibian population has basically remained unchanged. Firmly integrated



into the structures of the capitalist world market (while at the same time still under direct foreign control of the illegal South African administration), Namibia's natural resources, including labour, remain at the disposition of foreign interests. The basis for this continuing situation was firmly entrenched under the German colonial period. It remains a challenge to humankind to end this anachronism.

## NOTES

1. For the relationship between the ecological environment and economic activities, see especially Gervase Clarence-Smith and Richard Moorsom, 'Underdevelopment and Class Formation in Ovamboland, 1844–1917', in Robin Palmer and Neil Parsons (eds), *The Roots of Rural Poverty in Central and Southern Africa* (London: Heinemann, 1977).
2. For this process and more details on the social and economic set-up of the Ovambo see *ibid*: Christoph Borkowsky, *Zu Einigen Aspekten des Ovambolebens* (unpublished M A thesis from Free University of Berlin, 1975); and Lothar Berger, *Der Einfluss der Grenzziehung auf die Ovambo* (unpublished M A thesis from University of Mainz, 1980). At present a project-group of Finnish researchers is eager to explore in more detail the historic records and evidence provided by members of the Finnish Missionary Society based in northern Namibia since the late 19th Century. For an outline of the project see Martti Eirola, Seppo Rytönen, Harri Siiskonen and Seppo Sivonen, *The Cultural and Social Change in Ovamboland 1870–1915* (University of Joensuu, Publications of Social and Regional Sciences, no. 39, 1983). Preliminary results of the current research were discussed at an international research seminar, 'Studying the Northern Namibian Past', in December 1985. The papers presented as well as the comments by participating researchers are documented in a conference-reader edited by Harri Siiskonen and published in the same series by Joensuu University in 1986.
3. Recent ethno-historic studies have focused more attention on the Damara, especially Brigitte Lau, *A Critique of the Historical Sources and Historiography Relating to the 'Damaras' in Pre-Colonial Namibia* (unpublished B A thesis from University of Cape Town, 1979). More recently, the San have become attractive to ethnologists for their ability to survive in regions perceived as being hostile to human existence like the Kalahari, although their existence there should already give proof that a classification like 'hostile' for a natural environment depends upon the point of view and the abilities of the observer. For a re-assessment of the historic role played by various San communities in (pre-)colonial Namibia (which, so far, the literature mainly ignores or treats unfairly as 'underdogs' in the history of Southern Africa), see especially Robert Gordon, 'The !Kung in the Kalahari Exchange: An Ethno-historical Perspective', in C. Shire (ed.), *Past and Present in Hunter Gatherer Studies* (New York: Academic Press, 1984). The continuing predisposition to associate the San 'stone age economies' is challenged

in further field research and empirical evidence by Robert Gordon in his forthcoming monograph, *The Bushmen Myth and the Making of a Namibian Underclass*.

4. For more on this argument see Richard Moorsom, *Colonisation and Proletarianisation: An Exploratory Investigation of the Formation of the Working Class in Namibia under German and South African Colonial Rule to 1945* (unpublished M A thesis from University of Sussex, 1973).
5. See *ibid.* 'Ethnicity' and 'tribalism' are highly controversial terms with regard to the Namibian past (and, for that matter, with the present) and need some further clarification and readjustment of the connotations. For a more general, theoretically-oriented attempt to clarify the issue with special reference to the Namibian case, see Henning Melber, 'Stammeskultur als Zivilisationsgut', in *Peripherie*, vol. 5, nos 18/19 (April 1985), pp. 143–161.
6. Local trade in pre-colonial northern Namibia rested mainly upon the three staple commodities – iron, copper and salt. Long-distance trade concentrated on slaves (restricted almost exclusively to the southern Angola region, at this time in constant exchange with the related Ambo-groups in northern Namibia) and ivory to the north geared towards the interests of Portuguese traders. Exchange in commodities with neighbouring local communities in the East and South (Okavango, Herero) had metal artifacts as the main item of trade. For more on this see Clarence-Smith and Moorsom, *op. cit.*, which offers an impressive, comprehensive account of the northern Namibian and southern Angolan territory inhabited by the Ambo-societies which was organised into various independent kingdoms.
7. Wolfgang Werner, *An Exploratory Investigation into the Mode of Production of the Herero in Pre-Colonial Namibia to ca 1870* (unpublished B Soc.Sc. Thesis from University of Cape Town, 1980).
8. See Brigitte Lau, *op. cit.*; Brigitte Lau, *The Emergence of Kommando Politics in Namaland, Southern Namibia, 1800–1870* (unpublished M A Thesis from University of Cape Town, 1982); Brigitte Lau, 'The Kommando in Southern Namibia, 1800–1870', in Christopher Saunders (ed.), *Perspective on Namibia: Past and Present* (Cape Town: Centre for African Studies, University of Cape Town, 1983); Wolfgang Werner, *op. cit.*
9. See the stimulating criticism posed by Brigitte Lau, *A Critique...*, *op. cit.* to the work of Heinrich Loth, *Die christliche Mission in Südwestafrika: Zur destruktiven Rolle der Rheinischen Missionsgesellschaft beim Prozess der Staatsbildung in Südwestafrika, 1842–1893* (Berlin, GDR: Akademie Verlag, 1963). Much useful additional information can be found in the historic analyses of this ongoing process in neighbouring South Africa. As a recent example, see Miklos Szalay, *Ethnologie und Geschichte: Zur Grundlegung einer ethnologischen Geschichtsschreibung. Mit Beispielen aus der Geschichte der Khoi-San in Südafrika* (Berlin, FRG: Reimer, 1983). On the basis of other secondary and primary sources, Szalay reaches the conclusion that the common differentiation between Khoi-khoi and San as distinct groups of the Khoi–San language family seems to be artificial. Both groups were represented by their mode of production as either Khoi-khoi or San. This has led many to neglect the common ethnic roots of the two, and to an emphasis instead on the means for the reproduction (either cattle and small-stock breeding or hunting and gathering).

- According to their mode of production, impoverished 'Khoi-khoi' existed as 'San', and those 'San' acquiring cattle received a new identity as 'Khoi-khoi'. For further information, especially on the invading Orlam, see Shula Marks and Anthony Athmore, 'Firearms in Southern Africa: A Survey', *Journal of African History*, 12 (1971), pp. 517–30; and Teresa Strauss, *War Along the Orange: The Korana and the Northern Border Wars of 1868–69 and 1878–79* (Centre for African Studies, University of Cape Town, 1979).
10. On their impact see Department of Information and Publicity/SWAPO of Namibia, *To Be Born A Nation: The Liberation Struggle for Namibia* (London: Zed Press, 1981), p. 151.
  11. For the internal organisation of Orlam and Nama, who in the further development merged into one group and by the late 19th Century were only identifiable as Nama, see Christoph Borkowsky, 'Hendrik Witbooi – Terrorist oder Freiheitskämpfer? Afrikanischer Widerstand unter deutscher Kolonialherrschaft', in Henning Melber (ed.), *Namibia – Kolonialismus und Widerstand* (Bonn: Informationsstelle Südliches Afrika, 1981), pp. 149–69.
  12. Brigitte Lau, *A Critique...*, op. cit., p. 85.
  13. See Richard Moorsom, *Colonisation and Proletarianisation*, op. cit., p. 28 ff.
  14. Ibid., p. 35; SWAPO, 'Namibia: People's Resistance, 1670–1970', in *Race & Class* 22 (1980), p. 26.
  15. For American involvement in this early contact and the process of unequal exchange (if not mere robbery), see Allan D. Cooper, *U.S. Economic Power and Political Influence in Namibia, 1700–1982* (Boulder: Westview Press, 1982), pp. 1–8. Cooper analyses American–Namibian relations with 1700 as the starting point. Although this date may seem surprising, his summarised report on whalers from New England and, later on, American vessels loading guano are convincing for the establishment of this date. Between 1843 and 1845 alone, an estimated 250 000 tons of guano were shipped from the various small islands along the Namibian coast. This clearly represented the first exhaustive exploitation of Namibian resources. For further details see C. Liesegang, 'Die Guanogewinnung auf den Inseln und an der Küste Südwestafrikas', *Erdkunde* 4 (1950), pp. 35–43; Robert Craig, 'The African Guano Trade', *The Mariner's Mirror: The Journal of the Society for Nautical Research*, vol. 50 (1964), pp. 25–55.
  16. Heinrich Loth, *From Insurrection to an Organised Liberation Struggle: Namibia's Struggle Against Racism, Colonialism and Imperialism* (Berlin: The Solidarity Committee of the German Democratic Republic, 1979), p. 36.
  17. Helga and Ludwig Helbig, *Mythos Deutsch-Südwest: Namibia und die Deutschen* (Weinheim/Basel: Beltz, 1983), p. 26.
  18. Carl Gotthilf Buttnar, *Ackerbau und Viehzucht in Süd-West-Afrika (Damara und Gr. Namaqualand)*, (Leipzig: Verlag von Edwin Schloemp, 1885), p. 33.
  19. Ibid., p. 39.
  20. See Ibid., pp. 50 and 54.
  21. See Wolfgang Werner, op. cit., p. 48.
  22. Brigitte Lau, 'The Kommando...', op. cit., p. 41.
  23. Ibid., p. 44.
  24. For the full text, see Department of Information and Publicity, SWAPO of Namibia, op. cit., p. 154; for a slightly different English version of this

- treaty originally written in Cape Dutch see Israel Goldblatt, *History of South West African From the Beginning of the Nineteenth Century* (Cape Town: Juta & Co., 1971), p.27.
25. For missionary education see Henning Melber, *Schule und Kolonialismus: Das formale Erziehungswesen Namibias* (Hamburg: Institut für Afrika-Kunde, 1979), pp. 5–8. Interesting archival material on the deliberate policies applied by missionaries and traders during these years is revealed in J. von Moltke, 'Der Mythos vom Unabhängigkeitskrieg der Herero und die Häuptlingswürde Anderssons', in *Afrikanischer Heimatkalender*, Windhoek (1973), pp. 33–44.
  26. L. H. Gann, 'Economic Development in Germany's African Empire, 1884–1914', in L. H. Gann and Peter Duignan (eds), *Colonialism in African 1870–1960*, volume 4: The Economics of Colonialism (London: Cambridge University Press, 1975); for further information on the mission and its activities in the process of colonisation see Horst Grunder, *Christliche Mission und Deutscher Imperialismus: Eine Politische Geschichte ihrer Beziehungen während der deutschen Kolonialzeit (1884–1914) unter besonderer Berücksichtigung Afrikas und Chinas* (Paderborn: Schöningh, 1982); Johannes Lucas de Vries, *Namibia – Mission und Politik 1880–1918; Der Einfluss des deutschen Kolonialismus auf die Missionsarbeit der Rheinischen Missionsgesellschaft im früheren Deutsch-Sudwestafrika* (Neunkirchen-Vluyn: Neunkirchener Verlag des Erziehungsvereins, 1980); Lothar Engel, *Die Stellung der Rheinischen Missionsgesellschaft zu den politischen und gesellschaftlichen Verhältnissen Sudwestafrikas und ihr Beitrag zur dortigen kirchlichen Entwicklung bis zum Nama–Herero-Aufstand 1904–1907* (unpublished PhD thesis from University of Hamburg, 1972); Lothar Engel, 'Die Rheinische Missionsgesellschaft und die deutsche Kolonialherrschaft in Sudwestafrika 1884–1915', in Klaus J. Bade (ed.), *Imperialismus und Kolonialmission: Kaiserliches Deutschland und koloniales Imperium* (Wiesbaden: Steiner, 1982), pp. 142–164. An important primary source for this period of missionary enterprise has recently been prepared and edited by Brigitte Lau on behalf of the Windhoek State Archive: Carl Hugo Hahn, *Tagebücher 1837–1860. Diaries. A missionary in Nama- and Damaraland*. 5 volumes (Windhoek: Archives Services Division of the Department of National Education SWA/Namibia, 1984–86).
  27. Johannes Lucas de Vries, op. cit., p. 128; for Damara communities adopting to exchange patterns dominated by merchant capital see Brigitte Lau, *A Critique...*, op. cit., pp. 81 and 91.
  28. Union of South Africa, *Report on the Natives of South-West African and their Treatment by Germany*. Prepared in the Administrator's Office, Windhoek (London: His Majesty's Stationary Office, 1918), p. 105.
  29. Waldemar Belck, 'Was haben wir von Luderitzland zu erwarten?' *Deutsche Kolonialzeitung*, 2(1885), p. 133. In northern Namibia the Ambo societies already had an impressive surplus production of corn during the 1880s. The corn of an average year not only exceeded what was necessary for local consumption, but even allowed the use of corn for feeding horses and cattle. Local breweries were able to produce alcoholic beverages on the basis of the surplus corn. In good years, part of the corn surplus even had to be left on the fields. See Waldemar Belck, 'Die koloniale Entwicklung Sudwestafrikas', *Deutsche Kolonialzeitung*, 3(1886), p. 200.

30. Thus the title of a book by Wolfe W. Schmokel, *Dream of Empire: German Colonialism 1919–1945* (New Haven: Yale University Press, 1964); for further details on inner German development resulting in the colonial adventure see Manfred Nussbaum *Vom 'Kolonialenthusiasmus' zur Kolonialpolitik der Monopole: Zur deutschen Kolonialpolitik unter Bismarck, Caprivi, Hohenlohe* (Berlin, GDR: Akademie Verlag, 1962); and Hans-Ulrich Wehler, *Bismarck und der Imperialismus* (München: Deutscher Taschenbuchverlag, 1976); for British activities in Namibia prior to the occupation by the German empire, see Joan Davies, 'Palgrave and Damaraland', in *Archives Year Book for South African History*, 5th Year, Part II (Cape Town: The Government Printer, 1943).
31. For details on these fraudulent deals – even in terms of contemporary German law – see Israel Goldblatt, op. cit., pp. 81 and 101; Helga and Ludwig Helbig, op. cit., pp. 66–70; Henning Melber, 'Das doppelte Vermächtnis der Geschichte: Nationwerdung, Kolonisierungsprozess und deutsche Fremdherrschaft in Namibia (ca. 1800 bis 1914)' in *Namibia – Die Aktualität des kolonialen Verhältnisses*. Beiträge aus dem Projekt 'Politische Landeskunde Namibias'. Diskurs No. 6, University of Bremen, 1982, pp. 65–69.
32. For the extreme profits in trade see Waldemar Belck, 'Die koloniale Entwicklung Südwestafrikas', op. cit., pp. 458, 460. Among those articles that sold best and with the highest profits was the cheap alcohol produced from potatoes by Prussian liquor manufacturers. The devastating effect of imported alcohol is referred to by Waldemar Belck, 'Was haben wir von Luderitzland...', op. cit., p. 131. On the other hand, leaders of several communities ordered strict regulations prohibiting the consumption of alcohol; such an order was proclaimed by Hendrik Witbooi for his Nama followers.
33. For details on the creation and implementation of reservations, see Gert Sudholt, *Die deutsche Eingeborenenpolitik in Südwestafrika: Von den Angangen bis 1904* Hildesheim: Olms, (1975), p. 149.
34. Governor Leutwein was intelligent enough to present, in spite of harsh criticism from home, the Nama leader with acceptable conditions which guaranteed Hendrik Witbooi his further influential position among the Nama and offered him a capitulation without humiliation. The respect Leutwein demonstrated towards Hendrik Witbooi's chieftainship was honoured by the latter with an unconditional acceptance of German authority for a period of more than ten years. On the subjugation of Hendrik Witbooi, see Henning Melber, 'Das doppelte Vermächtnis der Geschichte', op. cit., pp. 75–85.
35. See the important essay by Neville Alexander, 'The Enigma of the Khwesin 1885–1905' in Christoph Saunders (ed.), op. cit., pp. 45–68. On the fascinating personalith of Witbooi as a representative of the fighting spirit of traditionalism see especially Tilman Dederling, 'Mein Arm ist nicht gelahmt, solange der Herrgott ihn als Zucutrote gebrauchen will.' – *Zur Geschichte der religious–politischen Bewegung von Hendrik Witbooi in Südwestafrika/Namibia* (unpublished M A thesis from Free University of Berlin, 1984).
36. Quoted from Georg M. Gugelberger (ed.), *Nama/Namibia: Diary and Letters of Nama Chief Hendrik Witbooi, 1881–1894* (Boston University, 1984), p.73.
37. Ibid., pp. 87–88.

38. Ibid., p. 96.
39. The most complete overview so far on this period is Helmut Bley, *South-West Africa Under German Rule 1894–1914* (London: Heinemann, 1971); and Horst Drechsler, *‘Let Us Die Fighting’ – The Struggle of the Herero and Nama Against German Imperialism 1884–1914* (London: Zed Press, 1980).
40. Nevertheless, by the early 20th Century two conflicting approaches in the field of colonial policies were discussed within Germany. The one, articulated by ‘modern capitalists’, was oriented towards ‘British liberalism’ and pledged for reforms. In contrast to this more enlightened position, an openly reactionary one – common to the settlers’ point of view – still dominated. The protagonists of this latter attitude mainly referred to the ‘Boer-style’ colonialism in South Africa, which was regarded as the appropriate way for a successful ‘civilising mission’. On this discussion of the two positions see Gerda Weinberger, *An den Quellen der Apartheid* (Berlin, GDR: Akademie-Verlag, 1975), pp. 96–133.
41. For the period of the ‘system Leutwein’ and its failure see Helmut Bley, op. cit.
42. Ludwig Sander, *Die Rinderpest und ihr Einfluss auf die wirtschaftlichen Verhältnisse in Deutsche-Sudwestafrika* (Berlin: Verlag von Hermann Paetel, 1897), p. 11.
43. For a contemporary statement emphasising the positive effects, see Ibid., p. 29.
44. Quoted in Horst Drechsler, op. cit., p. 143. In a letter written shortly before the first attack, Maharero tried to inform Witbooi about these intentions. This message, sent to the *kaptein* of the Rehoboth Basters (a group of mixed descent that settled some 50 miles south of Windhoek after moving from South African into Namibia by the mid-19th Century), was instead handed over to the Germans. Maharero’s words – a quotation of it served as the title for the English issue of Drechsler’s book – demonstrates the desperate situation of the African population and at the same time supports the argument of inter-tribal contact, reducing the ethnic pattern to one of several factors:

All our obedience and patience with the Germans is of little avail, for each day they shoot someone dead for no reason at all. Hence I appeal to you, my Brother, not to hold aloof from the uprising, but to make your voice heard so that all Africa may take up arms against the Germans. Let us die fighting rather than die as a result of maltreatment, imprisonment or some other calamity. Tell all kaptains down there to rise and do battle. (Quoted in Drechsler, op. cit., p. 143).

It would be a too hypothetical and merely an academic issue to debate whether anything would have changed for the better if Witbooi had received this information and had decided to take up arms at the same time. In any case, the course of the German–Namibian war would certainly have taken a different route.

45. Quoted in Drechsler, op. cit., p. 144.
46. On the prevailing pre-fascist ideology of this time, see Henning Melber, ‘Historische Grundlagen der Apartheid: “Bis zur volligen Niederwerfung der Eingeborenen” – Die kulturverpflichtete Aufgabe des Volkermords’, in Henning Melber (ed.), *Namibia – Kolonialismus und Widerstand*, op. cit., pp. 53–67; and Peter Schmitt-Egner, *Kolonialismus und Faschismus – Eine*

- Studie zur historischen und begriffsslichen Genesis faschistischer Bewusstseinsformen am deutschen Beispiel* (Giessen/Lollar: Achenbach, 1975).
47. For details of the colonial war, see Jon M. Bridgman, *The Revolt of the Hereros* (Berkeley: University of California, Press, 1981); and Horst Drechsler, op. cit.
  48. For the importance of both and for what they represented, see Neville Alexander, *Three Essays on Namibian History*. Namibian Review Publications, No. 1, edited by Kenneth Abrahams, Windhoek, 1983 (mimeographed); for Witbooi, see Christoph Borkowsky, 'Hendrik Witbooi – Terrorist oder Freiheitskämpfer? Afrikanischer Widerstand unter Kolonialherrschaft', in Henning Melber (ed.), *Namibia – Kolonialismus und Widerstand*, op. cit., pp. 149–169.
  49. For the emerging labour conditions see Fritz Wege, 'Die Anfänge der Herausbildung einer Arbeiterklasse in Südwestafrika unter der deutschen Kolonialherrschaft', *Jahrbuch für Wirtschaftsgeschichte*, 1969/I, pp. 183–221; and Fritz Wege, 'Zur sozialen Lage der Arbeiter Namibias unter der deutschen Kolonialherrschaft in den Jahren vor dem ersten Weltkrieg', *Jahrbuch für Wirtschaftsgeschichte*, 1971/III, pp. 201–19.
  50. Once again, in the course of the efforts to meet the shortage of indigenous labour, considerations were posed to subjugate the northern Namibian areas and their people by means of military power. But, aware of the strong force necessary for this purpose, these plans were finally substituted for 'measures exclusively under the point of view of procurement of workers' (telegram of the Imperial German government to the governor in Windhoek of 12 March 1980); quoted in Heinrich Loth, *From Insurrection to an Organized Liberation Struggle...*, op. cit., p. 35. The colonial administration, therefore, in the further course of its 'civilising mission', relied upon methods of forcing the people of the northern regions into the emerging colonial–capitalist structures by integrating individual chiefs into the system and offering them benefits from cooperation in the field of labour supply.
  51. For detailed accounts of this process, see Peter D. Banghart, *Migrant Labour in South West Africa and its Effects on Ovambo Tribal Life* (unpublished M A thesis from University of Stellenbosch, 1969); E.L.P. Stals, *Die Aanraking tussen Blankes en Ovambo's in Suidwes-Afrika 1850–1915* (unpublished PhD thesis from University of Stellenbosch, 1967). For the internal basis of this development, see especially Gervase Clarence-Smith and Richard Moorsom, op. cit.
  52. Central State Archives in Potsdam, GDR, Imperial Colonial Office, Document No. 1231, sheet 173ff.; quoted in Heinrich Loth, *From Insurrection to an Organised Liberation Struggle*, op. cit., p. 37.
  53. Documents of the Central State Archives in Potsdam, GDR, Imperial Colonial Office, Document no. 1231, sheet 3ff.; quoted in Heinrich Loth, *From Insurrection to an Organised Liberation Struggle*, op. cit., p. 34.
  54. See the illustrative description by Heinrich Loth, 'Kolonialismus und Antikolonialismus: Aspekte der Geschichte des Südlichen Afrika aus der Sicht deutscher Quellen', in *Asien, Afrika, Lateinamerika*, 8(1980)4, pp. 713–25; Richard Moorsom, 'Migrant Workers and the Formation of SWANLA 1900–1926', *South African Labour Bulletin*, 4(1978)1–2, pp. 107–15.

# 1 Canadian Transnational Corporations in Namibia: an Economic and Political Overview

Susan Hurlich

Actual Canadian investment in Namibia is small when compared to that of other countries like Britain, the US or South Africa. This is similar to what one finds in an examination of Canadian investment in South Africa itself. In 1979, for instance, total Canadian investment – both Canadian-controlled and foreign-controlled through Canadian-based subsidiaries – in South Africa was US\$148 million or just over one-half of one per cent of the total US\$22.8 billion investment of foreign transnational corporations (TNCs) in South Africa at that time. Of special note is that foreign-controlled Canadian companies were responsible for almost 60 per cent (US\$88 million) of Canada's investment in South Africa in 1979.<sup>1</sup>

While it is difficult to get actual figures of the total extent of Canadian investment in Namibia, a similar pattern emerges as the above: foreign-controlled investment through Canadian-based subsidiaries plays a dominant role in Canada's presence in Namibia. This does not mean that Canada is somehow less culpable than countries like Britain and the US which have a much greater percentage of British and American-controlled TNCs with investments in Namibia, investments which have high earnings for the TNCs, as well as support – through taxes among other things – for South Africa's continued illegal occupation of that country. It does mean that to fully understand the nature of Canada's involvement in Namibia one must understand the role that Canada has been willing to play as a partner – albeit a junior one – to international imperialism.

TNCs are the concrete expression of the export of capital in the search for maximum profits. Namibia – with its wealth of mineral deposits (notably uranium, diamonds and copper), its lucrative agricultural sector (karakul sheep and cattle in particular) and its Atlantic fishing industry – has an economy which is very attractive to foreign investment. This, coupled with a system of exploitation of plentiful



supply of black workers at a low price, makes it impossible to accept the argument put forth by many corporations and governments that foreign investment in Namibia is an agent for liberal reform in the structure of apartheid.

This brings up a second aspect of Canadian involvement in Namibia: the contradiction between Canada's officially stated policy on Namibia and its policy on Canadian investment in Namibia's economy. In public, the Canadian Government has affirmed its concern for social justice and its normal condemnation for apartheid in South Africa and South Africa's illegal occupation of Namibia. On the other hand, the Canadian Government is equally concerned not to offend the Canadian business community, and while it maintains a posture of wanting an independent Namibia, it continues to allow and indeed encourage Canadian investment and trade.

Since July 1971, the Canadian Government has not extended its double taxation agreement with South Africa (concluded in 1956) to Namibia, and other kinds of taxes also qualify as deductible business which operate in Namibia to deduct as business expenses the taxes paid to the South African-created Namibian administration.<sup>2</sup> Specifically, the Canadian Income Tax Act allows tax relief on the final tax bill of TNCs that pay income tax, fees and royalties on their operations in Namibia, and other kinds of taxes also qualify as deductible business expenses.<sup>3</sup> This balancing act – between moral outrage at apartheid and maintaining trade and investment – is one of the main characteristics of Canadian policy towards Namibia. More to the point, it is this attitude which constitutes a tacit recognition of South Africa's continued presence in Namibia and which provides an incentive for Canadian business not only to continue in Namibia, but to expand.

Data is often very scarce on the involvement of Canadian TNCs in Namibia, and thus a complete history has been hard to research and document. What information is available is indicated below according to sector: mining and petroleum, transportation and insurance, agriculture, and military, financial and political support to South Africa's occupation of Namibia. As will be shown, there are many instances where Canadian investment is actually foreign-controlled, following from the dependent nature which the Canadian economy itself has *vis-à-vis* other larger capitalist powers. Throughout the discussion of each sector and each corporation, comments will be made where relevant about Canada's role as the junior partner of imperialism and its 'balancing act' in its official policies.

## CANADIAN COMMERCIAL INTERESTS IN NAMIBIA'S PETROLEUM AND MINING SECTORS

During the immediate post-war period, the accelerated export of capital by TNCs from Western countries meant that these TNCs acquired not only more control over international trade, but also more control over the internal economies of both capitalist and Third World countries. In Namibia the TNCs were mainly British, American, South African and to a lesser extent German and French, and immediately after the Second World War they went through a rapid expansion in the mining sector. Canada came late to Namibia's mining, but it did come. This immediate post-war base metal boom in Namibia was followed by a second boom in the late 1960s and early 1970s. Significantly this was *after* the October 1966 termination of South Africa's mandate over Namibia by the UN General Assembly and the August 1969 to July 1970 Resolutions of the Security Council calling on member states to discontinue all economic and diplomatic links which imply a recognition of South Africa's administration over Namibia.<sup>4</sup> Also significantly, this is when Canadian corporations became involved in Namibia.

Perhaps the most important Canadian TNCs which have become involved in Namibia's base metal boom during the past two decades have been Falconbridge Nickel Mines Ltd, ultimately related to American interests, and Rio Algom Ltd, a Canadian-based subsidiary of Britain's Rio Tinto Zinc which controls Namibia's uranium. Before examining the extent and nature of the involvement of these two corporations in Namibia, a detailed overview will be provided of a number of other smaller Canadian corporations which have at one time or another been involved in exploration and/or mining operations in Namibia since the late 1960s. Not only have many of these Canadian-based companies been foreign-controlled, but for many their involvement in Namibia appears to have been of short duration – though it is not always clear whether they have fully ceased operations in Namibia or whether they are 'on hold'. We will also review how the Canadian Government has viewed its trade relations with Namibia.

### 1. Canadian policy towards Namibian investments

Canada's response to Decree No. 1 has been consistent with its demonstrated 'balancing act'. Though recognising the authority of the UN over Namibia, Canada does not recognise Decree No. 1 of the Council for Namibia.<sup>5</sup> In fact, when the Council for Namibia was

established by the UN General Assembly in May 1967 to administer Namibia until independence, Canada abstained on the vote.<sup>6</sup>

Similarly, when the UN Security Council in 1970 passed Resolutions 276 and 283 calling on states to end all commercial and investment dealings which would legitimise South Africa's presence in Namibia (resolutions which were underscored by the June 1971 Advisory Opinion of the International Court of Justice), Canada said these resolutions were *not mandatory* as they did not contain the word 'decides'. According to Canada's interpretation of its United Nations Act, this terminology, plus being adopted under Chapter VII of the UN Charter, is essential before Canada will implement a Security Council resolution. Neither 276 nor 283 meet these criteria, therefore Canada is not obliged to enforce them.<sup>7</sup>

What this open defiance of the UN's attempts to protect Namibian natural resources amounts to is a green light to Canadian and Canadian-based TNCs to invest in Namibia. It is no accident that some of the major mining developments by Canadian TNCs in Namibia happened after the above resolutions and Decree No. 1 went into effect. Yet Canada still made public statements about its 'broad revulsion' to apartheid. But what is most telling is that in a June 1970 Canadian Government paper on 'Foreign Policy for Canadians', the only reference made to Namibia is the single sentence which reads 'Canada supported the termination of South Africa's mandate over South West Africa'. There is no mention made of Canadian investment in Namibia, no mention of the fact that the Preamble to the Commonwealth Preferential Tariff agreement between Canada and South Africa – still in effect at that time – said that, for the purposes of the agreement, Canada recognises Namibia to be part of South Africa.<sup>8</sup> This agreement had been in effect since its creation in 1933 until its termination in January 1980.<sup>9</sup>

This, then, is the larger context in which Canadian TNCs have become involved with Namibia's mineral resources. As will be seen below, some of the most significant Canadian involvements were developed in the early 1970s when the above decisions were being made by Canada as to what does or does not constitute enforceable UN decisions.

## **2. Prospecting for petroleum and gas**

There are a handful of Canadian TNCs which have been involved in prospecting for petroleum and gas in Namibian territory. Below is a summary the Namibian activities of these Canadian companies.

*Trans-American Mining Company*

The history of this company has been difficult to pin down. Incorporated in Ontario, Canada in 1944, Trans-American is the authorised agent in Namibia for an American syndicate composed of Charles Payser, Julius Fleischmann, Richard Cowell, Winston Guest and the Waterford Oil Company.<sup>10</sup> According to an article which appeared in the *Windhoek Advertiser* of 24 August 1959, Trans-American managed a 100 000 square mile oil and gas concession in the west central area of Namibia.<sup>11</sup> This means that Trans-American is among the first Canadian-based TNCs to be involved in the search for oil in Namibia. The 1968–69 Canadian Mines Register, however, lists this company as defunct, though the 1971 Supplement of the same Register says the company is ‘believed defunct’,<sup>12</sup> which suggests the possibility that it might not be.

*Syracuse Oil Ltd (Canada) and Woodford Oil and Gas Company Ltd (Canada)*

By 1969 SWAKOR had allocated several large on- and off-shore concessions for oil exploration, one of which went to a consortium composed of Syracuse Oil, Woodford Oil of Canada, and H. Merensky Mining and Exploration Company of the US.<sup>13</sup> Syracuse Oil Ltd (Canada) is actually a subsidiary of the London Nominees Union Bank of Scotland Ltd (UK).<sup>14</sup> The terms of the concessions specify that exploration must occur speedily or else the concession must be relinquished. The above concession was relinquished by March 1971.<sup>15</sup>

*Brilund Mines*

Brilund Mines Ltd is a holding company which was incorporated under the Laws of the Province of Ontario, Canada, with headquarters in Toronto. Its executive officers, directors and managers, however, are located in the US, in Mount Vernon, New York.<sup>16</sup> Its only prospecting is in Namibia where in 1960 it incorporated Etosha Petroleum (Pty) Ltd as a wholly-owned subsidiary of Brilund, Toronto. With an office in both Grootfontein and Texas, Etosha Petroleum began to explore for oil and gas on its 120 000 square mile concession – an area equal to about one-third the size of Namibia – in the northern regions of Kaokoveld, Ovamboland and the Etosha Game Reserve. Between 1960 and 1969, Etosha Petroleum spent over \$1.5 million for exploration alone.<sup>17</sup> By December 1970, Etosha announced that it had found eleven potential oil sites, each ranging in size between 80 000 and 125 000 acres.<sup>18</sup> More than this Etosha would not say, though it was later reported that Etosha was planning to invest \$7.6 million for further explorations of these

sites.<sup>19</sup> This exploration programme has been undertaken in association with a wholly-owned subsidiary of Tiefbohr AG, a West German corporation financially backed by the German government.<sup>20</sup>

Etosha Petroleum has been very quiet about the above developments. The only comment made, in fact, was by Emanuel Rosenblatt, Brilund's President, Chairman and controlling shareholder. The *Windhoek Advertiser* of 19 June 1970 quoted Rosenblatt as saying that he 'could say a great deal which would cause excitement, but it was in the interest of the country to say as little as possible'.

Rosenblatt has had an interesting history with Brilund, a history which shows some of the difficulties involved in trying to untangle where the real source of corporate power rests in certain companies. A New York lawyer by profession, Rosenblatt initially became involved with Brilund on behalf of a client. This client had a substantial interest in Brilund, in which Rosenblatt later invested. This story, reported in the *Windhoek Advertiser* of 18 July 1979, goes on to say that Rosenblatt found among Brilund's assets 'a concession in the name of a subsidiary for the exploration and possible development of oil in the northern part of SWA'. Obviously this concession was Etosha Petroleum. Rosenblatt then consulted the South African Government and the South Africa Department of Mines, from whom he received encouragement to begin an exploration programme. Headquarters were set up in Grootfontein, including a home for the Rosenblatts, fifteen staff houses and an equipped laboratory.<sup>21</sup>

Rosenblatt has also been quoted as saying, regarding his initial acquisition of Etosha Petroleum, that 'I bought all the shares of Etosha in May 1966... We are not bound by the UN resolution because our concession was originally granted by the British government'. Presumably this comment refers to the fact that Britain was one of several countries which had abstained on the 1966 resolution by the UN, which called upon members states to cease all economic dealings in Namibia.

On 11 February 1980, Etosha signed a letter of intent with Superior Oil Company (US) which, as we shall see later, is also involved in Namibia's copper mining through part-ownership of Canada's Falconbridge Nickel Mines Ltd. This oil exploration venture was organised whereby Superior Oil would do certain test drilling operations in part of Etosha's concession. Etosha Petroleum's task would be to organise the financing for this undertaking, and to this end they contracted with Allen & Co. Inc., a New York investment banking firm, to raise the necessary funds. Since January of that year, Rosenblatt claimed 'there's

been an accumulation of shares (in Brilund) from overseas' with major US brokerage houses being the major buyers.<sup>22</sup> But then Superior Oil mysteriously pulled out of the deal, claiming that its personnel were in danger of attacks from SWAPO in the Etosha Pan area.<sup>23</sup>

Etosha Petroleum has not been Brilund's only interest in Namibia, though the petroleum search continues to be its main activity. It has two other subsidiaries also under the Chairmanship of Rosenblatt – Etosha Mineral (Pty) Ltd and Etopet Minerals (Pty) Ltd. Etopet Minerals is wholly owned by Brilund, whereas Etosha Mineral has a minority participation by France's Société Minière et Métallurgique de Penarroya, of which Harry Oppenheimer has long been a Director.<sup>24</sup> Some reputable sources have also indicated there are two other subsidiaries besides these,<sup>25</sup> but it is not clear what they are. The Canadian Mines Handbook states that since at least 1975, two of four Brilund mineral concessions in Namibia were being explored by Eland Exploration for copper, lead and zinc.<sup>26</sup> Eland Exploration is controlled by Cominco, a subsidiary of Canadian Pacific Limited (see below).<sup>27</sup> Though the Brilund subsidiaries still exist on the books, the search for minerals was apparently abandoned in late 1970.<sup>28</sup> But then Standard & Poor's Register of Corporations for 1978 indicates that there is a Senior Mineral Advisor for Brilund based in Grootfontein, which would suggest that Brilund is still keeping an eye out for minerals.

While the real locus of control for Brilund remains obscure, its history in Canada is less so – though even here there are some unanswered questions. By establishing a holding company in Canada, Brilund was able to administer its Namibian investments without the interference of US constraints. On 20 May 1970, the American Government officially accounced it would discourage investment by its TNCs in Namibia and that it would also cease export credits to US private investment in Namibia. The Canadian Government at that time made no such statement. In the early 1970s, in a Canadian Government reply to the UN Security Council which had asked for information on national corporations involved in Namibia, Brilund was identified only as a holding company with headquarters in Toronto, executive offices in New York, and fully owning Etosha Petroleum using 1966.<sup>29</sup> But the Canadian Government made no move to expel this holding company from Canada. In October 1972, when the Study and Action Committee of the YWCA in Canada sent detailed questionnaires to the Presidents of Canadian companies known to be operating in southern Africa, Brilund did not even acknowledge receipt of the request.<sup>30</sup>

Then in 1976 the location of Brilund's headquarters started to change. Listed as based in Toronto up to that time, in 1976 the shareholders approved a change of domicile for the company from Ontario to the Principality of Liechtenstein, and the Ontario charter was cancelled in September 1977.<sup>31</sup> From this point on, the company no longer appears in Canadian records, though there is still some ambiguity about its actual location. Whereas the 1978 Standard & Poor's Register of Corporations shows a Liechtenstein address and telephone number as the headquarters, the 1979 edition of the same Register gives a Dallas address and telephone number. Meanwhile the current role of Canada or of Canadian private capital in this company remains obscure.

#### *Asamera Oil Corporation Ltd*

In 1978-79 it was reported that Asamera had a 25 per cent interest in a joint venture which could earn up to 60 per cent working interest in a five million acre concession located off the coast of Namibia. Asamera, with head offices in Calgary, Alberta, was incorporated in Canada in May 1925 as the New British Dominion Oil Co. Ltd. In January 1958 it adopted its present name. While its involvement in Namibia appears to relate specifically to oil and gas exploration, it also does business elsewhere in the exploration for and mining of minerals as well as the distribution of light industrial machines.<sup>32</sup> It has been difficult to get more current information about whether Asamera's interest in Namibia continues at the present time.

#### *Menora Resources*

Menora Resources is a private, Toronto-based exploration and mining company. Due to the falling value of the Rand in 1985, Menora discontinued its oil exploration activities in South Africa. It has not, however, sold its holdings there. It was also reported in the *Globe and Mail* of 29 May 1986 that Menora has retained an 18 per cent interest in a company which employs twelve to fifteen South Africans on a ship dredging the coastal waters looking for diamonds. Latest reports indicate that the ship is now operating off the coast of Namibia.

#### *Canadian Southern Petroleum Ltd*

Although not much information has been found on this corporation, a 4 April 1983 Report on the Council for Namibia indicated that it was providing marketing outlets for, or had franchise agreements in, Namibia.

### 3. Prospecting and Mining for Base Minerals

As mentioned above, the second post-war metal boom in Namibia came after the termination of South Africa's mandate by the UN in 1966. In October 1971, the Security Council also declared that concessions granted to companies or individuals by South Africa in Namibia from 1966 on were not subject to protection by their states against the possible claims of a future lawful Namibian Government. Yet, at the end of 1972, fourteen overseas TNCs were involved in established mining operations, nine of which were also actively engaged in mineral and oil prospecting. An additional thirty-four foreign-owned companies were engaged in prospecting, two of which were identified as Canadian.<sup>33</sup> In the last several years, however, prospecting activities in Namibia have been very cautious, partially as a result of the overall depressed mineral prices on the international market, and partially the result of the political uncertainty in Namibia. In 1983, for instance, whereas locally-based mining companies were continuing their activities, the level of new external exploration investment had been lower than normal.<sup>34</sup>

One of the reasons for the increase in prospecting in the 1960s and 1970s was that the post-war period saw a number of new developments in mining technology, particularly in processing. This meant that lower quality ores could bring more substantial returns than was previously possible, and a number of new medium-sized mines began operations using technically more advanced methods.<sup>35</sup> One such mine was the Oamites copper mine owned by Falconbridge of Canada.

#### *New Wellington Mines Ltd*

New Wellington Mines Ltd is a Canadian mining and oil exploration company incorporated in British Columbia, Canada in 1953. In September 1970, it changed its name to New Wellington Resources Ltd. In the mid-to late-1960s, this company was engaged in prospecting and exploration for base minerals in Namibia, though little is known about the extent of these activities. By 1968, its involvement in Namibia appears to have stopped, as it is listed in the 1968–69 Canadian Mines Register as being inactive or a dormant company. The 1973 Report of the UN Council for Namibia lists this company as still being active in exploration,<sup>36</sup> but it has not been possible to find information which confirms this.

#### *Falconbridge Ltd*

Incorporated in Canada in 1928, Falconbridge Nickel Mines Ltd (which in 1982 changed its name to Falconbridge Ltd) has been involved



in mineral exploration activities in Namibia since at least 1969. Falconbridge also provides another example of a Canadian-based TNC which is at least partly owned by foreign interests. As of 1983, McIntyre Mines Ltd – a Canadian company – owned 26.3 per cent of Falconbridge. McIntyre in turn is owned 26.6 per cent by the Superior Oil Company of Houston, Texas and 26.4 per cent by Canadian Superior Oil Limited. Canadian Superior, which is a wholly-owned subsidiary of Superior Oil, has a 6.3 per cent interest in Falconbridge.<sup>37</sup> Although the details are confusing, this means that Superior Oil owns about 20 per cent of Falconbridge, a substantial minority holding.

Superior Oil became part owner of Falconbridge in mid-1967, and a new period of expansion immediately became evident. By 1969, Falconbridge had increased its general exploration expenditures in Canada and overseas to the highest in the company's history up to that time. That same year, Falconbridge also opened many new exploration offices, including its first overseas offices in Windhoek (Falconbridge Explorations Ltd), Johannesburg and elsewhere.<sup>38</sup> Things were booming in Namibia – companies were rushing in to explore, and Falconbridge was already making the preparations to bring its Oamites mine into production.

By 1970, Falconbridge was spending CAD\$9.6 million on exploration activities, just for the one year alone.<sup>39</sup> The practice also was established for Falconbridge subsidiaries and Superior Oil companies to go into joint ventures. For example, in Africa, Superior Oil earns a 50 per cent interest in any Falconbridge discovery in either South Africa or Namibia.<sup>40</sup> Falconbridge retains the right, however, to manage the exploration programme and the acquisition of properties.<sup>41</sup> In 1973, this joint venture agreement resulted in the discovery of a copper-zinc sulphide ore deposit in Namibia, with drilling continuing to evaluate the discovery. But there were some disappointments for Falconbridge in Namibia. For instance, in 1975 when the company applied for prospecting rights on certain areas adjacent to the city of Windhoek, the City Council is reported to have turned down the application because the land had already been allocated to the South African Defence Forces.<sup>42</sup>

Up to 1976, Falconbridge was exploring in the north and central regions of Namibia only for base metals such as copper, zinc, nickel, lead, and so on. Then in mid-1976, as the phenomenal uranium boom and its accompanying exploration thrust got underway, Falconbridge renegotiated its exploration contract with the Mines Commission to include uranium. In private conversations with a black worker at the

Falconbridge exploration office in Windhoek – during two different visits to Namibia – it was reported that Falconbridge was already exploring in the desolate area south-east of Rossing and along the coast near Swakopmund and Walvis Bay for uranium, as well as in the south at Aroab on the ‘Kalahari project’ and in Botswana. The 1976 Annual Report of Falconbridge notes that there were ‘several interesting uranium occurrences’ which were explored in both Namibia and Botswana, but that no economically viable deposits had been identified.

1977 saw a reduction in overall exploration activities by Falconbridge, though exploration programmes and offices in Namibia continued through 1981.<sup>43</sup> In 1982, however (and no doubt as a result of falling world copper prices which began in the late 1970s), Falconbridge decided to confine its exploration activities to high-priority projects, and closed its offices in several locations including Windhoek. Its Johannesburg exploration office is still functioning, and Falconbridge is still prospecting for uranium deposits in Namibia.<sup>44</sup> In addition to continuing exploration for uranium in the Rossing area, Falconbridge is prospecting in the Kaokoland in the far north-west.<sup>45</sup>

Falconbridge has also been involved in copper mining at Oamites as well as at several smaller sites elsewhere in the country. Falconbridge’s interest in Oamites began in 1969 when it acquired 74.9 per cent of the property (the Industrial Development Corporation of South Africa, a government parastatal, owned 25.1 per cent). The mine was brought into production in late 1971, and after it was virtually mined out, Oamites was sold in late 1982. The story of Falconbridge and Oamites is an important one to document here, but before doing so some aspects of the story of Falconbridge itself will help to set the wider context.

During the mid-1960s when Superior Oil was making its bid for Falconbridge, Harry Oppenheimer (of Anglo-American/Consolidated Diamond Mines fame) was already involved in expanding its empire outside Southern Africa. Canada, with its rich mineral resources, was one of Oppenheimer’s targets, and in 1966 the Anglo-American Corporation of Canada was established, which, through investments in various companies, quickly became involved in Canada’s oil, gas and mining sector. Big business, wherever it may be, is not so much about personalities (though specific individuals can and should be named) as it is about power, class alliances and consolidation of these alliances. When the Anglo-American Corporation of Canada was being established it got assistance from one of Canada’s major financial groups, called the Investors Group, which contributed CAD\$7.5 million to the new company.<sup>46</sup> At that time, one of the directors of the Investors

Group was James A. Richardson, who was also Director of Canada's Hudson's Bay Company, whose involvement in Namibian *karakul* is discussed below.

McIntyre Mines Ltd, which now owns 26.3 per cent of Falconbridge, was in 1957 a holding company for a coalition of Canadian, British and South African interests, among the latter the Anglo-American Corporation. That same year, McIntyre acquired 15 per cent of Falconbridge – then a booming nickel company – which, after several mergers, increased to 25 per cent by 1961. By 1962, when Anglo-American and others in its coalition had obtained a 25 per cent interest in McIntyre, Anglo-American decided to go after Falconbridge directly. However, it came up against Howard B. Keck of Superior Oil (US), who had a similar plan as a way to get into Canadian resources.<sup>47</sup>

Falconbridge, one of the largest nickel corporations in the world, was a worthy prize. Because of its success in penetrating the American and European markets, as well as its continued growth in Canada, by the mid-1960s Falconbridge was ready for major investments and diversification abroad. Keck, however, ultimately won the contest for Falconbridge, getting a 36 per cent interest in McIntyre in 1967, and almost immediately thereafter bought Anglo-American's shares as well. One researcher has suggested that Anglo-American's willingness to sell its interests in McIntyre was that it needed unfrozen North American capital for other new acquisitions in Canada. Almost immediately after the Superior Oil takeover, Keck appointed Marsh Cooper as Falconbridge President and its expansion into Namibia and South Africa began. One final piece to the puzzle is that in 1975 it was reported that Falconbridge and McIntyre had interlocking directorates with large financial institutions, such as the Canadian Imperial Bank of Commerce and the First National Bank of New York, among others. This means these companies have a privileged access to capital which can help finance their continuing expansion.<sup>48</sup>

Falconbridge in Namibia thus becomes one of the end links in the long chain of a massive North American corporate empire. It is said that the man who discovered Oamites in 'Giep' Booyesen, one of the most famous of Namibia's solitary (white) speculator-prospectors.<sup>49</sup> Located thirty-five miles south of Windhoek in the Roheoboth Gebiet, Oamites consists of a 1000 acre concession in the midst of a 220 000 acre farm. Falconbridge initially acquired this concession in 1966 and incorporated it under the laws of South Africa in 1969 as the Oamites Mining Company (Pty) Ltd. Falconbridge then entered into an arrangement with the South African Industrial Development Corporation (IDC)

whereby there would be a cost sharing to bring the property into production based on the percentage of their respective ownerships. Falconbridge contributed 74.9 per cent and the IDC provided 25.1 per cent of the approximately CAD\$6.3 million needed to develop the Oamites copper–silver mine, containing ore reserves of 4.7 million tons which Falconbridge estimated would be a ‘viable economic project’ for an eight year period.<sup>50</sup>

Construction and development work began immediately at Oamites, and by 1971 shafts were sunk, houses were erected ‘for all levels of employees’, services were installed, the concentrator was ready to receive ore, a contract was made with the Tsumeb Corporation to refine Oamites concentrates at its own smelters, and so on. The mine was expected to come into production in July 1971.<sup>51</sup> In fact, it was several months later (and in defiance of both UN and World Court rulings) that Oamites opened. Quickly becoming Namibia’s second largest copper producer after Tsumeb, Oamites was also one of the most mechanised base mineral mines in southern Africa. By 1973, only two years after production began, Falconbridge had more than recovered its total initial investment of some CAD\$9 million in exploration, property and plant development, and equipment costs from sales of concentrates for that year alone. In fact, in 1973 Falconbridge had a clear net profit of CAD\$3.2 million *after* the deduction of interest payments. That same year, it also paid CAD\$2.1 million in income and mining taxes to the South African Government.<sup>52</sup> For the ten-year period 1972–81, Oamites brought Falconbridge a clear profit, averaging about CAD\$1 million annually, and taxes to the South African Government averaging about CAD\$0.5 million annually.

Oamites from the start was a mine considered to have a relatively short life, and it is clear that the main objective of Falconbridge was to get in as cheaply as possible and get as much out as quickly as possible. By the late 1970s, however, there was already a noticeable trend of decreasing revenue from sales, which was reflecting the world slump in falling metal prices.<sup>53</sup> Oamites was already starting to be mined out, and Falconbridge’s Annual Report for 1978 noted that in future years Oamites would produce progressively less copper.<sup>54</sup>

Falconbridge did, however, have other cards up its Namibian sleeve. In mid-1974, Falconbridge Explorations Ltd was already well-advanced in the feasibility and technical studies that it was conducting on the Elbe copper, zinc and silver property located some forty kilometres north of Okahandja on the way to Karibib. Falconbridge was preparing to invest CAD\$13.5 million into the project and had already built

houses for managerial workers and their families.<sup>55</sup> Some families had already rented houses in the town of Okahandja following their employment with Falconbridge on the Elbe development. But, by the end of the year, work to bring the mine into production was postponed because of depressed world market prices for copper, as well as the prevailing political uncertainty about Namibia's future. Towards the end of the 1970s, other mines in Namibia were also being closed or, if remaining open, expenditures were cut and higher grades of ore were mined.<sup>56</sup>

But there was still another card for Falconbridge – Swartmodder (meaning 'Black Mud'), from mining site and forty-five kilometres south of Rehoboth, but still within the Rehoboth reserve boundaries. With ore reserves estimated at 314 000 metric tons grading 2.7 per cent copper, Swartmodder was potentially a richer mine than Oamites, where the average grading was only 1.13 per cent copper. In November 1979, Falconbridge began to mine the property on a tribute basis, and the mine was brought into production in October 1980. But again, due to the decline in copper prices, which by 1981 were at their lowest level in thirty years (as well as the unexpectedly difficult geological and mining conditions encountered at Swartmodder), mine operations were suspended in March 1981. In 1982, Falconbridge sold the mine.

Things were also becoming increasingly difficult for Oamites where, because of falling copper and silver prices and rising production costs, Falconbridge was starting to lose money. On 15 December 1982, with very few years left to the mine anyway and that at decreasing output, Falconbridge sold Oamites for CAD\$900 000 and claimed a loss of CAD\$2.3 million on the deal. Though the details of the sale remain unclear, Oamites was purchased by a South African company called Metorex. In early February 1984, Oamites went through a further decline when a major cave-in rendered some 36 000 tons of copper concentrate unretrievable, along with valuable equipment, shortening the life of the mine from two years to one. Though no workers were injured in the accident, that same month Oamites laid off 110 workers or 42 per cent of its 260 personnel. In 1985, it was announced that the mine would close. But it should still be kept in mind that Falconbridge remains in Namibia searching for uranium and, if it finds a commercial sources on its concessions, Falconbridge will no doubt take a much higher profile than it has at present.

### *Rio Algom Ltd*

By far the most important post-war mine to open in Namibia is the Rossing Uranium mine located near Swakopmund. The largest owner

of Rossing is Britain's Rio Tinto-Zinc (RTZ) with a 46.5 per cent interest. The South African Industrial Development Corporation and another South African company own between them 20 per cent, but, because they have a different class of shares than RTZ, South Africa maintains effective voting control. One of the smaller equity holders is Rio Algom with 10 per cent interest. Incorporated in Canada (with headquarters in Toronto) in 1960, Rio Algom is a subsidiary of RTZ through the following chain: RTZ Corporation Ltd in Britain owns Tinto Holdings Canada Ltd, a holding company which has a 15.8 per cent interest in Rio Algom as well as other involvements in South Africa. RTZ also has another wholly-owned Canadian subsidiary called Preston Mines Ltd which owns 37 per cent of Rio Algom, bringing RTZ's total interest in Rio Algom to 52.8 per cent as of 1983.<sup>57</sup> Anglo-American also has major investments in Rio Algom.<sup>58</sup>

RTZ's interest in Canada comes as no surprise, as Canada's uranium reserves rank among the largest in the world. In 1980, Canada was the world's second largest uranium producer after the US, with South Africa ranking third and Namibia fifth.<sup>59</sup> In 1982, Canada was the most important supplier of uranium to the countries of the European Economic Community, with South Africa in second place.<sup>60</sup> Thus Canada becomes a select prize for transnational corporations like RTZ which have investments in the development of Canadian uranium deposits. In this respect, Canada bears a similarity to Namibia.

Rio Algom's involvement in Rossing provides yet another example of foreign corporate concentration through Canadian-based subsidiaries. Canada has a long history of penetration by foreign capital and particularly for mergers and take-overs by foreign companies. Between 1977 and 1982 there was an average of 473 mergers per year (with capital from both Canadian and foreign sources), and in 1983 there was an all-time high of 395 takeovers of Canadian firms by foreign companies alone. While Rio Algom was always a RTZ product rather than a Canadian company taken over by a foreign company, it is important to note the larger context in which it operates in Canada. Not only does Canadian Government policy encourage corporate concentration within its own borders through tax incentives (for example, corporations can deduct from their taxes the interest on funds borrowed to finance take-overs), but Canada allows free ownership of both foreign currency within the country and bank balances abroad, as well as permitting the free export of national currency. This stands in sharp contrast to Britain, where foreign currency cannot be held freely within the country, nor can bank balances be freely owned abroad, nor is there free export of national currency.

This means that Canada provides not only a lucrative haven for foreign investment within its own borders, but it also provides a safe haven for foreign-controlled but Canadian-based capital to invest abroad – such as Rio Algom in Namibia.

Rio Algom's involvement with Namibian uranium seems to be a December 1968 agreement it had with Rio Tinto Finance & Exploration Ltd (Riofinex) of London – a wholly-owned RTZ subsidiary – relating to a uranium prospect in southern Africa. The terms of this agreement were extended in February 1970, specifying that Rio Algom was entitled to purchase 10 per cent of any mining company promoted by RTZ to exploit uranium in southern African.

Also in 1970 RTZ entered into a contract with the British Atomic Energy Authority such that two RTZ subsidiaries – Rio Algom of Canada and Riofinex of South Africa, a wholly-owned RTZ subsidiary – would deliver 7500 metric tons of uranium to Britain between 1976 and 1982. At a total price of US\$72 million, this uranium would provide about 42 per cent of Britain's planned civilian needs for the six year period under question. But because of opposition in the British Parliament about dealing with South Africa, the contract between RTZ and the Atomic Energy Authority was transferred to British Nuclear Fuels in 1975.

By early 1974, Rio Algom had completed its purchase of 10 per cent equity in Rossing Uranium Ltd, scheduled to begin production in 1976 as the world's largest open-cast pit mine supported by major long-term sales contracts with important nuclear installations in Britain, France, West Germany and Japan (the latter via plants in Canada and the US).<sup>61</sup> By 1976, Rio Algom's investment in Rossing had increased to CAD\$8.1 million, and the following year it loaned an additional CAD\$6 million to this Namibian development.<sup>62</sup>

There is another avenue through which Rio Algom is connected with Namibian uranium besides directly through Rossing, and that is the Uranium Marketing Research Organisation, a secret cartel formed at a meeting in Johannesburg in January 1972 to coordinate international marketing and pricing of uranium. The participants in this meeting included RTZ, who some say conceived the idea, the Rio Algom and another company from Canada, and various corporate and government representatives from France, South Africa, Britain, Australia and Canada. It has been speculated that Rio Algom encouraged the Canadian Government to obtain the participation of other governments. The decision of this cartel had important implications for the profits of Rossing, as over the next five years the price of uranium oxide

increased from US\$13 per kilogram in 1973 to US\$95 per kilogram in 1977. Today the successor of this cartel is the Uranium Institute in London.<sup>63</sup>

With annual production estimated to 5000 metric tons between 1976 (the year the mine opened) and 1992, and then 4600 metric tons from 1993 to the year 2000, Rossing has total reserves of over 100 000 metric tons of uranium oxide for a twenty-five year period. The expectation was that Rossing would recoup its initial production costs of about CAD\$214 million within two years of full output.<sup>64</sup> In the meantime, Rossing would pay no tax in Namibia under the terms of the South African Income Tax Act of 1963. It was not until 1983 that Rossing paid its first taxes to South African, which totalled R30 million. Rio Algom deducts its percentage of these taxes from taxes paid in Canada. RTZ would not, however, disclose the output figures for Rossing for 1983 (although world uranium prices have been decreasing for the past several years), and at their May 1984 Annual General Meeting, RTZ indicated that in the future these figures would not be available.<sup>65</sup>

There are three final points about Rio Algom which must be mentioned. First, Rossing maintains a 'security scheme' established by written agreement between the corporations involved there and South Africa. This scheme involves maintaining an armed paramilitary unit at the mine site to be used in the event of civil or labour unrest.<sup>66</sup> Because Rossing is very likely covered under South Africa's National Key Points Act as a strategic industry, this means that its white personnel would participate in the commando units. Thus Rio Algom, through its involvement in Rossing, is cooperating with South Africa in the military defence of the mine.

Second, it is known that the gigantic open pit at Rossing, which is in close proximity to the living compound for African workers, is emitting radioactive airborne wastes.<sup>67</sup> Again, Rio Algom is involved in perpetuating this serious environmental and health hazard, although in Namibia its actions in this regard are not much different than they are in Canada. In 1976, for instance, the Province of Ontario issued a 'Report of the Royal Commission on the Health and Safety of Workers in Mines' in which it was noted that Rio Algom was one of several companies at the Elliott Lake uranium mines which had kept from the workers any information about the hazards in the workplace.<sup>68</sup>

Third, Rio Algom's questionable practices in the uranium business have also been noted by other 'corporate citizens'. In particular, in October 1976, Westinghouse Electric Corporation took a case to the US



District Court, in which Rio Algom was one of twenty-nine companies being accused of illegal conspiracies to restrain both interstate and foreign activities by the US in uranium. In November 1977, a similar action was brought against thirteen companies, again including Rio Algom, by the Tennessee Valley Authority. Both actions were settled in March 1981, although details of both the case and the settlement remain unclear. But again, in December 1981, the Washington Public Power Supply System began an action in the US District Court naming ten companies – among them Rio Algom – and accused them of the same conspiracies.<sup>69</sup>

### *Eldorado Nuclear Ltd*

Incorporated in 1945 by Dominion charter, Eldorado is a Federal Crown corporation engaged mainly in the mining, refining and conversion of uranium for use in Canada and other countries. Eldorado's main refinery is at Port Hope, Ontario, although in 1983 it completed construction of a substantially larger refinery in the Sudbury area of Ontario. All shares in the company are held by the Minister of Energy, Mines and Resources 'in trust for Her Majesty in Right of Canada', although since 1982 Eldorado has been held by the Canada Development Investment Corporation which is a new company formed to hold and manage some of the Federal Government's commercial assets and enterprises. Also in 1982, Eldorado's exploration programme in Canada was expanded from only uranium to include precious metals.

In September 1981, the first press reports appeared in Canada revealing that Eldorado had been processing Namibian uranium, on behalf of RTZ, for use by Japanese utilities. These reports were later confirmed by both Eldorado and the Canadian Department of External Affairs.<sup>70</sup> In the months immediately following the September 1981 revelation of Eldorado's processing of Namibian uranium, the Canadian Task Force on Churches and Corporate Responsibility (TCCR) made enquiries about this activity to relevant bodies in Canada including the Atomic Energy Control Board, Eldorado Nuclear Ltd, the Departments of External Affairs, Customs and Excise and so on. The responses TCCR received showed that in the refining process at Eldorado, uranium from Canada was mixed with uranium from other countries including Namibia. However, because importation permits into Canada list country of consignment rather than country of origin, the uranium from Namibia is identified as being South African. But when the processed uranium is exported by Eldorado from Canada, the Department of Revenue, Customs and Excise identifies it as Canadian, whereas the Department of External Affairs identifies it as Namibian or South African.<sup>71</sup>

Japan, which had long-term purchase contracts for the delivery of uranium between 1976 and 1986, was one of the recipients of Canadian-produced mixed uranium. In 1970, one of Japan's privately-owned electric power companies – Kansai – signed a contract for a purchase of uranium oxide from Rossing over a ten-year period beginning in 1976. This uranium ultimately reaches Japan via an RTZ sales subsidiary in Switzerland, and one Japanese researcher has strongly suggested that the uranium in question involved Namibian uranium which had been mixed with uranium from Canada, Australia and elsewhere.<sup>72</sup>

To date, Namibian uranium is still being processed at Eldorado. This means that Canada is not only acting in violation of Decree No. 1, but in violation of several UN Security Council resolutions, including one adopted in March 1981. This latter resolution calls upon Canada as one of seven named countries to prohibit state-owned and other corporations from all dealings in Namibian uranium, including prospecting, extraction, processing and transport.<sup>73</sup> Finally, in July 1985, Canada announced that in compliance with Security Council Resolution 283 (1970), Canada will terminate all processing of Namibian uranium imported from South Africa, once existing contracts end in 1988, and will not enter into any new contracts. Just after this announcement, Eldorado's Director of Information revealed that Namibian uranium constitutes between 10–50 per cent of all uranium processed by Eldorado, and that after 1988 the loss to Eldorado would be CAD\$4–5 million a year. Concerned Canadians, however, are demanding that Canada immediately cancel Eldorado's contract to import and process Namibian uranium.<sup>74</sup>

#### *Noranda Mines Ltd and Laurasia Resources Ltd*

Noranda, with headquarters in Toronto, has more than sixty multinational subsidiaries involved in the development of natural resources and some secondary processing. Its mines produce mainly copper, zinc, lead, silver and so on and it has exploration programmes for minerals, oil and gas. Noranda is also part of the Bronfman empire – one of the largest corporate conglomerates in Canada – which has CAD\$9.8 billion worth of controlled companies.

Noranda's history in Namibia appears to be interlinked with that of Laurasia Resources Ltd, another TNC incorporated in Ontario in 1950. One of the earliest written reports of Noranda's activities in Namibia is found in *The Northern Miner*, a Canadian newspaper, which reported that on 13 April 1973 an exploration agreement was made

between Laurasia and Noranda. The agreement was entered into by Nu Exploration (Pty) Ltd (a wholly-owned Noranda subsidiary) and Transfontein Mining (a wholly-owned Laurasia subsidiary) and entitled Nu to earn a 60 per cent interest in a Namibian concession held by Laurasia, with the condition that Nu would expand CAD\$150 000 on surveying the land. The concession was the Langbeen copper property consisting of 600 acres near Windhoek. By the end of the year, Nu had spent more than CAD\$15 000 on percussion drilling and geological and geochemical surveys for the Langbeen concession.<sup>75</sup>

In early 1974, Laurasia acquired another property in association with Noranda. This was the Aukas concession, located three miles south of Usakos, and thought to possess lead, zinc and silver. Towards the end of the year, Laurasia acquired the Schlip copper-silver property. The agreement between Noranda and Laurasia was that Nu would hold an 80 per cent interest in both properties and would carry out further sampling, while Laurasia would hold 20 per cent of both.<sup>76</sup> According to the *Financial Times* of 15 June 1974, these three joint exploration ventures were the extent of Noranda's and Laurasia's involvement in Namibia.

On 17 January 1975, the President of Noranda, J. O. Hinds, wrote a letter to the Toronto-based Development Education Centre (which was researching Noranda's operations in Africa), saying the following:

Noranda has never operated in a mine in South African or Namibia nor for that matter Noranda has not in the past and does not now hold a minority interest in any mining operation in South Africa or Namibia.

Nu Explorations (Proprietary) Limited, a wholly-owned subsidiary of Noranda Mines, had one Canadian geologist supported by a small local staff stationed in Johannesburg, South Africa for a short period of time in order to examine mining properties and assess exploration potential in that area. However, in early 1974, it was decided to terminate our exploration efforts in South Africa, Namibia and Angola and our Canadian geologist was relocated and the office closed.

Noranda is one of the few Canadian TNCs for which there is specific information about the nature and fate of their Namibian operations. One source in 1982 reported that Nu Exploration now appears to be based in Britain.<sup>77</sup> What remains unclear, however, is the present status of Laurasia's involvement in Namibia. No information has yet been found which indicates that Laurasia has also pulled out of Namibia,

so it might be a case where a Canadian TNC is 'on hold' waiting for a more propitious moment to begin again its activities.

#### *Cominco Ltd/Canadian Pacific Ltd*

Cominco, which maintains an exploration office in Johannesburg under the name of Eland Exploration (Pty) Ltd, is involved in mineral exploration in Namibia.<sup>78</sup> With headquarters presently located in Vancouver, British Columbia, Cominco was incorporated in 1906. The Canadian Mines Handbook of 1983–84 lists Cominco as the world's largest lead and zinc producer and one of the world's largest mining, smelting and refining companies. As of 1982, Canadian Pacific Enterprises Ltd, a subsidiary of Canadian Pacific Ltd, has held a 54.3 per cent interest in Cominco. Canadian Pacific Enterprises, based in Calgary, Alberta, is the investment arm of Canadian Pacific Ltd, based in Montreal, Quebec. They are both part of the Desmarais Family corporate empire, which has interests in various controlled companies totalling CAD\$12.9 billion. The details of Cominco's ongoing activities in Namibia are now known at the present time.

#### *Geoterrex*

Geoterrex is a Canadian company of geophysicist consultants, which in 1975 was reported to be using airborne survey aircraft with electronic equipment to detect minerals in Namibia. The only mention made in Geoterrex is in an article of 5 February 1975 in the *Windhoek Advertiser*, which said that the Chief Pilot, Gilles Gaillardetz, had been in Namibia for several weeks to carry out geophysical surveys for Geoterrex and various mining companies, as well as for the South African Government. On 29 May 1986, the *Globe and Mail* reported that Geoterrex had in 1985 ceased its operations in South Africa after working there for more than fifteen years and employing up to fifteen professionals. No mention was made of its Namibian activities. In Canada, Geoterrex does airborne electronic mineral surveys throughout the north. With headquarters in Ottawa, Ontario, Geoterrex also has two other offices, one in Sydney, British Columbia, and one in Lakewood, Colorado (USA).

#### *Granby Mining Corporation*

Granby was incorporated on 29 March 1901 by a Special Act of Parliament in British Columbia. Originally known as the Granby Consolidated Mining, Smelting and Power Co. Ltd, on 5 February 1975 the name was changed to Granby Mining Corporation and it converted its corporation under the British Columbia Companies

Act. Granby conducts exploration and underground mining, mainly for copper ore concentrates and a little gold and silver.

Though Granby did not become involved in Namibia until 1973, it is interesting to note that it was in 1970 that its exploration activities generally increased. It is also interesting to note that two of Granby's directors at that time, William F. James and Marsh A. Cooper, were also involved in Falconbridge, which in 1969 opened an exploration office in Windhoek and was making preparations to bring Oamites into production. In 1970, James was a director for Falconbridge and Cooper was the President and Managing Director, a position he held from 1969 until his retirement in 1980. Cooper, who was appointed President of Falconbridge soon after Superior Oil obtained a minority holding in the company, was one of the driving forces behind its move into Namibia. No doubt he brought a similar push to Granby.

In November 1973, Granby acquired Onganja, a small underground copper mining operation located at Seeis in Namibia, from Zapata Corporation of Houston, Texas. Zapata had originally purchased Onganja in 1968, and its output at that time was exported to Japan.<sup>79</sup> The cost of the purchase to Granby was book value, CAD\$100 000, and an additional CAD\$316 000 payable out of eventual profits from Granby's operations in Namibia. Granby's plan was to use the profits from the mine to finance other exploration and development projects in Namibia and South Africa, where it had recently discovered several new mineral deposits.

After purchasing Onganja, Granby made efforts to make the mine profitable. By the end of 1974 it had developed on year's supply of underground ore at a grade of 1.6 per cent copper. That same year, however, the world copper price began to fall. For Onganja to break even, the world copper price had to be 70¢ per pound, but in 1974 the market price was below this. Thus Onganja was put on a care and maintenance basis pending an increased copper price. In the meantime, Granby continued metallurgical testing to improve the recovery programme for non-sulphide copper.

To coordinate its exploration efforts, Granby established an exploration subsidiary – Granex (Pty) Ltd – in Johannesburg in 1974 under the direction of a South African geologist. The other interesting development in 1974 was that Zapata Canada Ltd, a wholly-owned subsidiary of Zapata Corporation, from whom Granby had acquired Onganja, increased its interest in Granby from 66 per cent to 92 per cent. Meanwhile, Granby had full ownership of Zapata Mining (Pty) Ltd, located in Windhoek which operated the Onganja mine. Both Granex

and Zapata Mining remained active through 1975, although by 1976 Zapata Mining was inactive. Granex became inactive in 1977, and its (unidentified) European partners withdrew from the venture.<sup>80</sup>

Meanwhile, the ownership of Granby was undergoing some subtle changes. By September 1977, Zapata Canada held 92.6 per cent interest in the Granby Mining Corporation. One month later, the *Johannesburg Star* reported that Granby was pulling out of its operations in Namibia and South Africa. In December 1978, Granby amalgamated with one of its own subsidiaries in which it had a 98.3 per cent interest as well as with a third Canadian subsidiary of Zapata to form the Zapata Granby Corporation. Finally, in mid-1980, the Zapata Granby Corporation was purchased by Noranda Mines Ltd for CAD\$37 million and the name of the new corporation became Zapata Canada Incorporated.

Although Granby's history in Namibia has not been a very important one, the company is interesting for the insight it gives into the kind of mergers, acquisitions and interlocking directorates which typify the continuous restructuring of the operations of TNCs. This has implications not only for the role of overseas companies in Namibia, but also for the role of these same companies in the country of domicile. It is in the nature of the export of capital to seek the highest possible return on investment, and to this end corporate decision-making is dynamic and ever-fluid. From a fairly modest beginning, Granby has been drawn into ever wider and wider resource empires, first Zapata Corporation and then Noranda. As we have seen, the same pattern has also taken place with Falconbridge.

#### *Other Canadian Involvements in Namibia's Mining Sector*

The 4 April 1983 Report of the Council for Namibia lists two other Canadian companies involved in Namibia. One is Consolidated Mining and Smelting, which is active in mineral exploration. The other is Dolman Industries Ltd, which is involved in the Futura Mining operation in Namibia.

## CANADIAN INVOLVEMENT IN THE TRANSPORTATION, INSURANCE AND MARKETING SECTORS OF NAMIBIA

Although Canada has not been extensively involved in either the transport of insurance sectors of Namibia, it does have a presence. In transport, its role has been primarily to facilitate the movement of resources to or from Namibia, particularly oil and uranium. Detailed

information, however, has been difficult to get. Concerning the supply of crude oil and petroleum products into South Africa and Namibia, information is considered a state secret. The Petroleum Products Act of South Africa includes a maximum penalty of seven years in prison for any person who reveals information about any aspect of South Africa's oil situation. Similarly, overseas tanker companies involved in this trade are loath to reveal their involvement for fear that their own governments may take retaliatory measures.<sup>81</sup> What information is available is largely the product of work done by the Shipping Research Bureau, a non-government organisation founded in 1980 by two Netherlands-based anti-apartheid groups.

Canada's involvement in the transport of Namibian uranium is an equally serious issue. On the one hand, South Africa has never signed the Treaty on Non-Proliferation of Nuclear Weapons which among other things means that its own enrichment plants are not subject to international inspection.<sup>82</sup> On the other hand, the South African Atomic Energy Act prohibits revealing the details of any uranium contracts. This makes the uranium industry in Namibia and South Africa a highly clandestine operation, and this secrecy carries over into the transport of Namibian uranium as well.

Finally, there are the international insurance companies. In many instances it is these companies which provide the protection for overseas industrial and commercial TNCs, among others, to invest in the Third World. Although Canadian involvement in Namibia's insurance activities is quite small, it again reflects the pattern seen above in much of the mining sector: Canadian-based but foreign-controlled capital using Canada as the launching pad for penetration into the Third World.

#### *Kerr Steamships (Canada) Lines and Davis Transport*

In Spring 1981, the first concrete evidence was found of how Canadian ships were involved in the clandestine transport to Canada of Namibian uranium from South Africa. Investigators from Greenpeace, a Canadian-based environmental organisation, discovered that Namibian uranium was being shipped to Montreal, Canada, via South Africa in ships operated by Kerr Steamships (Canada) Lines. From Montreal the uranium was then brought to the Eldorado refineries at Port Hope by trucks operated by Davis Transport. The investigators were told by port authorities that it was not until October 1980 that the port controller and inspector had discovered that uranium ore was moving through the docks, although shipments had already been occurring for several years. The shipments were simply labelled as 'ore concentrates'

on the manifest which were prepared by James Estate, an RTZ agent shipper in Cape Town from where the cargo originated. Montreal port authorities then insisted that the standard identification for radioactive materials be used.<sup>83</sup>

#### *Cast Eurocanadian Shipholdings*

Cast Eurocanadian is a shipping company based in Canada, England, Switzerland and Bermuda. It is also one of many international tanker companies which have been involved in shipping petroleum products and petrochemicals to Walvis Bay and crude oil to South Africa. Namibia has no oil refineries of its own, but its needs for crude oil are met by South African export refineries, while high value petroleum products and petrochemicals are shipping directly from overseas export terminals.<sup>84</sup>

The provision of oil to South African helps to facilitate its exploitation of Namibia by fuelling the occupation army as well as supporting various commercial sectors such as mining. It is also in violation of a virtually world-wide policy (established by most oil producing countries which export over one million tons of crude oil annually) that no crude oil should be supplied to South Africa. Interestingly, only Canada and the US have not accepted this policy, though to date it appears that no large quantities of crude oil go from these countries to South Africa. Yet South Africa still manages to get crude oil, as well as high-value oil products from mainly European and Far Eastern sources. This illegal trade is facilitated by oil and shipping companies which use various methods such as trans-shipment, falsely stated destinations and so on, to hide their involvement. It is in this manner that Cast Eurocanadian, between 1980 and 1982, is estimated to have made six different crude oil deliveries to South Africa totalling about 1.2 million tons. Although in 1984 it was reported that this company was dissolved, it is nonetheless clear that the Canadian Government has not been interested in passing (and enforcing) legislation prohibiting its oil and shipping companies from sending any oil to South Africa and/or Namibia.<sup>85</sup>

#### *Reed Shaw Osler Ltd*

Reed Shaw Osler is a Canadian-based company (ultimately controlled by Stenhouse International Ltd in Britain) which heads a large number of international insurance, brokerage, reinsurance and risk management companies. In Namibia it has a subsidiary insurance firm called Stenhou (SWA) (Pty) Ltd. Little is known about its activities.<sup>86</sup>



*Massey Ferguson Ltd*

Massey-Ferguson, which produces farm and industrial equipment, is a Toronto-based corporation and one of Canada's twenty largest transnational corporations. Presently, the Canadian Federal Government and the Ontario Provincial Government own 2.5 per cent and 1.5 per cent respectively of the company's shares.

Until 1980, Massey-Ferguson operated a wholly-owned subsidiary in South Africa. At that time, a majority interest in the subsidiary was sold to Fedmech, with Massey-Ferguson retaining a 24.9 per cent interest. Fedmech is part of the Federale Volksbeleggings Bepark, a large South African company. In Namibia, Fedmech maintains a distribution outlet in Windhoek which carries the Massey-Ferguson trade sign.<sup>87</sup>

*Bata Industries Ltd*

Bata Industries, with headquarters in Ontario, is a privately held corporation. Thus, there is not much information available about its corporate structure. The Bata Shoe Company, the world's largest shoe manufacturer, has over ninety subsidiaries operating factories around the world. Through the Bata Shoe Company of South Africa, shoes are sold in Namibia at its outlet in Windhoek.

*Ford Motor Company of Canada Ltd*

Along with the Massey-Ferguson and Bata, Ford Canada provides another example of how foreign-owned TNCs invest in Namibia through the South African subsidiary of Canadian-based companies. The Ford Motor Company of the US invests in South Africa through its 99.7 per cent owned subsidiary, Ford Canada. In 1985, Ford South Africa solid its majority interest to Amcar Motor Holdings of Anglo-American Corporation. The remaining 42 per cent of Ford South Africa's interest was merged into a new company called South African Motor Corporation (Samcor), which continues to pay dividends to Ford Canada.

Samcor produces cars, trucks and automotive parts, and has a distribution centre in Windhoek.<sup>88</sup>

## CANADA, THE KARAKUL INDUSTRY AND THE HUDSON'S BAY COMPANY

Karakul was introduced into Namibia in 1907, and in 1924 Namibian-produced karakul pelts were sold in Leipzig for the first time. In 1936,

the Hudson's Bay Company (hereafter called simply the Bay) held its first karakul auction in London. Today the Bay processes virtually the entire crop of Namibian-produced karakul (marketed under the name SWAKARA) each year through its wholly-owned London auction house. Though the value of karakul pelts has shown a steady increase over the years, production limits have more or less been reached and have not gone much beyond 4.8 million pelts per year for Namibia and South Africa combined, with Namibia producing about 70 per cent of the total.

#### *Hudson's Bay Company*

Beginning in Canada as a fur trader (from Britain), today the Hudson's Bay Company has a chain of department stores and other retail outlets across Canada in addition to being involved in wholesale distribution of its own brand of products. The Bay also has the world's largest fur trading company and has wholly-owned auction houses in Canada, Britain and the US. The Bay holds major real estate interests in Canada, and through subsidiaries is engaged in oil and gas exploration. In August 1983, the Bay entered the world of electronics with its purchase of a 36 per cent interest in a computer company.

In 1979, the Thomson Family (one of the largest corporate empires in Canada with a total value of CAD\$3.8 billion in controlled companies) acquired a 75 per cent interest in the Bay through the Woodbridge Company Ltd and Thomson Equitable (International) Ltd. This interest in the Bay is currently 73 per cent.<sup>89</sup> The Thomson Family has major interests in oil, gas, trucking, insurance, newspapers, etc.

In January 1936, the Bay became the first overseas company to establish regular karakul auctions in London. Another London firm – Eastwood and Holt (EH) – was quick to follow with their own karakul auction in July 1936. As more and more of the fur trade shifted from Leipzig to London during the years before the War, the Bay and EH came to dominate the marketing of virtually the entire karakul industry in Namibia. A third British firm which later became involved was Anning, Chadwick and Kiver.<sup>90</sup>

One of the Bay's first activities in Namibia was to establish a brokerage house to collect, sort and sell pelts for farmers on a commission basis.<sup>91</sup> The result was the information of the Hudson's Bay Company (Pty) Limited which represented two fur auction companies: the Bay in London, and Lampson, Frazer and Huth in New York. EH established a similar enterprise in Windhoek in 1947. From 1937 through 1939, England and Germany together imported

between 88–97 per cent of the total value of pelts from Namibia, with two-thirds of this amount going to England. Yet on the London fur market, karakul constituted only 3 per cent of the annual quota of all furs handled before the Second World War.<sup>92</sup>

When the Second World War broke out, London was cut off from its traditional fur suppliers. In addition, the British Government declared that since furs were a luxury, little shipping space would be allocated to them.<sup>93</sup> Thus the fur trade shifted to New York. In late 1942, the American Government ruled that fur coats were utility garments supplementing the scarcity of cloth rather than luxuries, thereby giving the New York fur trade an even bigger boost.<sup>94</sup>

In early 1946 the Bay held the first post-war auction of Namibian karakul in London, which quickly reasserted its central position in the fur trade. Limited sales continued in New York via EH up to 1957 when they ceased entirely due to the dwindling American demand. After the early 1950s, the continental market (specifically Germany, France and Italy) began to reestablish itself. During this period the Bay continued to play a dominant role in the karakul market, auctioning off an average of 52.2 per cent of Namibia's consigned pelts for the period 1952 to 1954.

In May 1972, the Bay and Annings, Chadwick and Kiver merged their fur auction subsidiaries to form a new company – the Hudson's Bay and Annings (SWA) (Pty) Ltd, referred to below as HBA. Initially, HBA was owned by the Bay (59 per cent) and by Wood Hall Trust (41 per cent), the latter a subsidiary of the British Paterson Ewart Group. The first auction of Namibian karakul by the HBA took place in September 1972. To get an idea of what these auctions have meant to the HBA, they must be seen against total fur sales going through the company. In 1975, for instance, it was estimated that over CAD\$112.97 million worth of raw fur went through the auction rooms of HBA each year.<sup>95</sup> For the same year some CAD\$31.26 million worth of Swakara was sold by HBA,<sup>96</sup> constituting 27.7 per cent of total fur sales. This means that one-quarter of the annual business of HBA for 1975 alone was tied up with Swakara!

Up to 1976, there was a clear distinction between farmer's cooperatives, which represented the producers, and local brokerage agents, which represented international auction houses. But in July 1976, the Boere-makelaars Kooperatief Beperk (BKB), which was the amalgamation into a single cooperative of three large cooperatives which acquired total control of EH's operations in Namibia (formerly they had held only partial control). This development was seen as one way for producers to have more direct control over marketing.

This closer relationship between the farmers' cooperatives and the brokerage houses was carried a step further in June 1982 when HBA, EH and three karakul producing cooperatives made an agreement to rationalise the scheme for marketing pelts. Intended to take effect in July 1982, this scheme would concentrate all sales in the HBA, which would acquire a 34 per cent interest in EH, with the cooperatives controlling the rest. EH would handle all marketing of the pelts, with HBA carrying out the majority of handling under licence. In return, EH would acquire the HBA's sorting centre in Windhoek, which the HBA has been renting since 1969 for pelt sorting.

This new arrangement amounts to a virtual marketing monopoly by the HBA, and has been justified by the company as being a necessary rationalisation of marketing channels as one way to deal with the decrease in karakul pelt prices and the decline in production caused by a serious drought which was beginning to let up in 1986. But from the point of view of the Bay, it means that no longer is there a second and competing marketing channel in London, previously offered by EH.

The first sale under the new scheme was scheduled for September 1982, only one year after the Bay had opened its new computerised auction facilities in London. But, by August 1983, EH had decided to close the Windhoek sorting centre due to the continuing drop in Swakara pelt prices. This had affected about twenty-five employees and R100 000 worth of equipment, not a very significant capital investment.<sup>97</sup> Since the shut-down all pelts are being sorted in London. In Namibia, EH collects the pelts from the farmers' cooperatives and sends them to the HBA in London. All services are initially paid for by the HBA, including storage, sorting, ticketing, computing and auctioneering and then these are charged to the cooperatives in Namibia and South Africa.

In assessing the importance of the Swakara industry to the Hudson's Bay Company as a whole (that is, to total sales and revenue of all activities of the Bay and its subsidiaries), it is helpful to look both at total fur consignment sales, before deducting expenses, and at the 3 per cent commission which goes to the Bay from the auctioning of karakul. In 1972, the year HBA was formed, overall sales and revenue for the Bay before expenses, was CAD\$687.2 million, whereas in 1983 it was almost CAD\$4.4 billion. However, whereas total fur consignment sales have ranged between 16–20 per cent of total sales and revenue between 1972 and 1978, by 1983 it had dropped to about 8 per cent. On the other hand, the 3 per cent sales commission has never been as much as 1 per cent of total sales and revenue during the period 1972 to 1983. The highest for this period was 1972, when it equalled

0.79 per cent and the lowest has been the past several years, when it has equalled only 0.02 per cent.<sup>98</sup>

What this means is clear – the Swakara industry has never been very significant to the Bay itself, though at various times the Bay has been critical to the development and maintenance of international marketing of Swakara. For example, whereas the export of pelts from Namibia has been dropping drastically during the past several years, in 1980 the Bay had profits which were the second best on record, in spite of the fact that it suffered the first decline in earnings in a decade (due to inflation in Canada).<sup>99</sup> By 1983, the Bay actually recorded a total loss of some CAD\$4 million, owing to the decline in wild fur prices. But, basically, the Bay can easily weather the storm, as it gets fur from twenty-eight different countries. As the Bay itself reported in its 1982 Annual Report, its fur operations in Britain plus its fur, real estate and natural resource operations in the US, generate less than 10 per cent of the company's total revenue and employ less than 10 per cent of its assets. Thus it can walk away from Namibia's karakul industry, without financial loss, whenever it so chooses.

One final question on the Bay concerns its 'citizenship'. Is it Canadian or British? The Bay is another one of those companies whose actual locus of power is difficult to pinpoint. Originally a British-based company, in 1970 the Bay changed its domicile from England to Canada. The public reason given for this change is that Canada, with 95 per cent of the company's business and 98 per cent of its employees at that time, was the main sphere of the Bay's operations. But it is hard to ignore the influence of international currency matters as outlined in the previous discussion of Rio Algom.

What is interesting, though, is how the Bay plays political football over the question of the actual location of its *real* (and not just domiciled) control. For instance, the Bay's response to public demonstrations protesting its role in Namibia was succinctly put forth in a CBC interview on 25 November 1981 when Rolph Huband, Vice-President and Secretary of the Bay, said that since it was a British-based subsidiary (the HBA) and not the parent company which its active in Namibia, it is not appropriate for the Canadian-based parent to exert any pressure over the activities of the HBA!<sup>100</sup>

## CANADIAN FOREIGN POLICY TOWARDS NAMIBIA: THE FINANCIAL AND POLITICAL PERSPECTIVE

One area of financial support which has been difficult to document in detail has been the assistance which Canadian banks, and other

Canadian financial institutions, have given to Canadian-based TNCs which are involved in Namibia. But while actual monetary statistics are hard to obtain, it is not so hard to show where some of the interests of Canadian-based companies overlap with the interests of Canadian banks. One way to do this is to examine the interlocking directorates which exist between different corporations, and between corporations and money-lending institutions. At the very least, it can be assumed that the individuals who occupy more than one Board of Directors bring similar interests to each body. It can also be assumed, given the demonstrated practices of TNCs in Namibia (and elsewhere), that there is an overriding concern with maximising profits. It is in this light that Table 1.1 – showing the interlocking directorates among Canadian-based TNCs in Namibia as well as among these TNCs and Canadian banks, as of 1983 – must be assessed. Table 1.1 makes it clear some of the key Canadian TNCs which are involved in Namibia have direct links with various Canadian money-lending institutions.

Also, there is the political perspective to consider for Canadian foreign policy towards Namibia, though an examination shows little deviation from the already established pattern. Time after time, when Canada's stated rejection of apartheid and of South Africa's control over Namibia (that is, Canada supported the 1966 UN resolution terminating the mandate) are placed alongside Canadian corporate, trade and investment patterns in Namibia and South Africa, Canada is found to be seriously lacking.

For the most part, Canadian policy and actions towards Namibia reflect its policies and actions towards South Africa. In December 1977, the then Secretary of State for External Affairs, Donald Jamieson, announced that Canada was phasing out all government-sponsored commercially-supported activities in South Africa. In addition, Jamieson also said that an investigation would be made of tax concessions granted to companies operating in Namibia and that 'codes of conduct' would be drawn up governing future investment by Canadians in Namibia. This code would parallel a similar code which Jamieson promised would be developed for Canadian companies in South Africa.<sup>101</sup>

Such promises seem to have been more appearance than substance. Concerning government-sponsored commercially-supported activities, the most significant act which Canada pursued was to terminate its South African government account with the Canadian Export Development Corporation (EDC); but this particular account had not been used by Canada with respect to South Africa for at least fifteen years. The EDC was still free to continue to use its corporate account,

*Table 1.1 Interlocking directorates of Canadian TNCs in Namibia and between these TNCs and Canadian banks*

<i>Director</i>	<i>Companies in Namibia</i>	<i>Canadian bank</i>
George Robert Albino	Rio Algom* Rossing Uranium Rio Tinto Zinc	Barclays Bank of Canada
Ian A. Barclay	Hudson's Bay	Royal Bank
Marcel Belanger	Hudson's Bay Eldorado	
Gordon C. Gray	Rio Algom	Toronto Dominion
George Richard Hunter	Hudson's Bay	Cdn Imperial Bank of Commerce
William James	Falconbridge* Noranda	Cdn Imperial Bank of Commerce
Alexander John McIntosh	Hudson's Bay	Cdn Imperial Bank of Commerce
Donald Scott McGiverin	Hudson's Bay Noranda	
Dawn R. McKeag	Hudson's Bay	Royal Bank
Kenneth R. Thomson	Hudson's Bay**	Toronto Dominion
John Arnold Tory	Hudson's Bay	Royal Bank
Peter Warburton Wood	Hudson's Bay Hudson's Bay and Annings	

*Notes:*

\* Chairman, President and Chief Executive Officer.

\*\* Also President and Chairman of Thomson Newspapers which controls the Bay.

There are some other interlocking directorates which are important to note which do not appear on the above Table: George Robert Albino is also a Director for Barclays Bank of Canada, an English Subsidiary established

which handles 90 per cent of EDC business, to make loans to South Africa to finance the purchase of Canadian goods. In addition, although Canada withdrew its three trade commissioners from South Africa, it continues to finance a South African commercial counsellor at the Canadian Embassy in Pretoria. Until recently, the Canadian Programme for Export Market Development also subsidised travel and expenses of Canadian exporters going to South Africa for market development.<sup>102</sup>

At best, one could say that the above steps represent caution. More to the point is that they are largely symbolic, and what moral suasion they might have as policy is lost in the practice as regards both South African and South Africa's occupation of Namibia. There have been no decisions to take trade or economic sanctions against South Africa with respect to Namibia. Canadian investment in Namibia is still legal. Trade from Namibia is not discouraged as Canada still identifies goods by country of consignment. And the April 1978 'Code of Conduct Concerning the Employment Practices of Canadian Companies Operating in South Africa' is entirely voluntary and has no real mechanism of enforcement or public review. Not only does this code not address Canadian companies in Namibia, but the government appears to have dropped its earlier stated intention that it would develop such a code.<sup>103</sup>

Canada's termination in July 1979 of its Preferential Tariff Agreement with South Africa must also be placed in its proper context. Specifically, the initiative for this decision was not so much political as economic. Under the agreement, a serious imbalance had developed between South Africa and Canada, with 66 per cent of South African exports to Canada benefitting by the preferential tariff, but only 2 per cent of Canadian exports to South Africa getting the same benefit. Thus Canada had

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in 1929 but bought out by Imperial Bank in 1953, which in 1955 joined the Bank of Commerce to form the Canadian Imperial Bank of Commerce; Marsh Alexander Cooper is a director for Falconbridge and for Superior Oil which has significant interests in Falconbridge; Nicholas Martin Ediger is Chairman, President and Chief Executive Officer of Eldorado as well as Executive Director of the Uranium Institute in London; and Gordon C. Gray is Director of Markborough Properties Ltd, a wholly-owned subsidiary of Hudson's Bay.

*Sources:* 1983 Director of Directors

1984 Standard & Poor's Register of Corporations, Directors and Executives

1984 Financial Post Directory of Directors

1983 Annual Reports for Royal Bank, Toronto Dominion, Cdn. Imperial Bank of Commerce



more to gain in appearance by terminating the agreement than to gain economically by maintaining it.<sup>104</sup> A similar analysis can be made of Canada's suspension in 1981 of the EDC's corporate account for South Africa, a measure which still does not prevent Canadian transnational corporations or individuals from engaging in trade or investment in South Africa.

Partially in response to the escalating struggle in South Africa, Canadian External Affairs Minister, Joe Clark, announced in May 1985 that all Canadian policies on South Africa were under review. Two months later, new measures were adopted by the Canadian Government with the intent to restrict investment and trade with South Africa. Among other things, these measures include a 'toughening' of the 1978 Code of Conduct (for example, the appointment of an independent Administrator, and so on), the termination of EDC insurance for companies wishing to export to South Africa, the abrogation of the Canada-South Africa Double Taxation Agreements, a ban on the sale of sensitive electronic equipment to South Africa, and so forth. In relation to Namibia, the only new measure is to end the processing of Namibian uranium at Eldorado, once existing contracts are completed.<sup>105</sup>

Although on the surface the above measures seem a positive step forward from the earlier 1977-78 measures, upon closer scrutiny they are, again, seen to be largely symbolic. Under Canada's Income Tax Act, for example, companies can still claim credit for taxes paid in South Africa when calculating their Canadian taxes. Only if the Canadian tax rate is higher than the South Africa tax rate – which is not clear – will companies have to pay any tax in Canada for their overseas operations. The new measures also include a 'discouragement' – not an official banning – of the sale of Kruggerands.<sup>106</sup> Canada is still not prepared to order full economic sanctions against South Africa and Namibia, or to unequivocally prohibit any Canadian investments in these two countries.

Canadian corporations investing in Namibia (and South Africa) thus capitalise on Canada's apparent 'neutral image abroad', an image enhanced by Canada's publicly stated anti-apartheid policy. Underlying this image, however, is the true face of the Canadian economy, an economy which has a heavy reliance on international trade. In 1981, for example, exports accounted for 22.8 per cent of Canada's gross national product. South Africa is Canada's largest market in the entire African continent, and in spite of the fact that Canada's total exports to South Africa are small compared to its exports to other countries, they are showing a steady increase over time. Whereas in 1976 Canada's

exports to South Africa were worth only CAD\$96 million, by 1984 they totalled CAD\$201 million. The same growth can be seen in Canada's imports from South Africa, which in 1976 were CAD\$156 million and in 1984 were CAD\$222 million.<sup>107</sup>

Canadian investment in South Africa shows the same growth pattern as above. In 1965, Canadian direct investment in South Africa equalled only 44 per cent of Canadian total investment in Africa; by 1976, this had increased to 71 per cent. Similarly, between 1965 and 1976 Canadian-based but foreign-controlled direct investment in South Africa averaged 76 per cent with an all-time high of 84 per cent in 1970.<sup>108</sup> This means that the greater part of Canadian-based investment in South Africa is not directly subject to effective Canadian control, although Canadian policy has not appeared to be particularly concerned by this fact. This is also the case with Canadian investment in Namibia.

In early 1977 Canada became a member of the five-nation 'Contact group'. Neither sanctioned nor proposed by the UN, the Contact Group had as its stated objective the bridging of the gap between SWAPO and South Africa and the implementation of the UN plan for elections. But the larger context of Canada's relations with South Africa is more telling, and in this regard Canadian interests have mainly been shaped by American and British interests. In his report on the announcements late in 1977 by the government to end certain EDC loans to South Africa, reporter Wayne Cheveldayoff wrote in the *Globe and Mail* of 27 February 1979 that 'the [Canadian] Government has never told Canadian business to stop investing in or trading with South Africa, and Government officials say it won't until the United States decides such a move is a good thing'.

Equally revealing is the fact that, with the exception of the 1977 arms embargo, Canada has not endorsed any UN resolution towards South Africa which contains any threat of economic sanctions.<sup>109</sup> Also, on the question of tax concessions to Canadian companies investing in Namibia, in July 1981 the Secretary of State for External Affairs and the Minister of State for Trade both told TCCR that Canada's tax concessions must be applied equally throughout the world. Namibia could not be singled out as a special exception.<sup>110</sup>

This stands in sharp contrast with Canada's communication in 1973 to the UN Council for Namibia, where it stated that Canada 'has sought to avoid all dealings with the Government of South Africa when it purported to act on behalf of Namibia or from which recognition of South African sovereignty over Namibia might have been implied'.<sup>111</sup> For Canadian corporations, controlled both at home and from abroad,

it is business as usual, as Canadian foreign policy towards South Africa and Namibia has changed only in minor ways over the past two decades.

For foreign corporate penetration into the Canadian economy, it is also business as usual. Canada continues to be the springboard for foreign-controlled investment to conduct its operations in the Third World – though it is clear that there are many direct Canadian interests in this investment as well. This, again, brings us full circle to the point where this article began – the ‘balancing act’ which Canada attempts to maintain between its words and deeds. But the balancing act is not really a balance at all. Against Canada’s concrete political, financial and corporate support for South Africa’s occupation of Namibia, it is hard to take seriously words such as the following, spoken in an interview by the former Secretary of State for External Affairs Donald Jamieson: ‘Our government supports essentially the same objectives as do the liberation movements; that is, the achievement of self-determination and the full realisation by the peoples of Southern Africa of their basic human rights’.<sup>112</sup>

## Notes

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33. (UN A/9024/1973), op. cit., p. 16.
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## 2 French Foreign Policy Towards Namibia 1981–85\*

Jacques Marchand

When the Minister of Foreign Affairs, Claude Cheysson, made public on 7 December 1983 the decision of the French government to suspend its participation in the Contact Group, international opinion wondered how it should interpret this decision and whether it signified a major political change on the part of the French government with regard to the Namibian question.

Most observers agree that the policy statement probably did not represent a political change but, rather, a desire to clarify a situation which could risk isolating France from those who might accuse it of complicity with regard to American policy in southern Africa, as well as with regard to the dilatory manoeuvres of South Africa. In suspending its participation from the Contact Group, the government made it clear that the American-led Group had failed in its obligation to bring about a negotiated settlement to the Namibia issue. Said one government official, 'The French government has decided that it would not attend any new meeting of the Contact Group. The latter must be put to rest for lack of any ability to exercise honestly the mandate which has been entrusted to it'.<sup>1</sup>

Let us measure, nevertheless, the limits of this gesture. The French government remains a member of the Contact Group; it has not demanded the dissolution of the Group, but only seeks to keep its distance with regard to the American anti-Cuban campaign which is behind US President Reagan's 'linkage issue' concerning Namibian independence. France has kept a firm footing in the Contact Group at the request of the Front Line states. And the French Government has remained confident that, in time, the Contact Group will be able to play an instrumental role in the independence process of Namibia. 'It can serve; let us hope that it will serve', expressed Claude Cheysson.

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Inside France there has been much discussion about what initiatives the government plans to take regarding Namibia. It is going to let itself be tempted by a waiting policy to see whether the illusions of 'constructive engagement' will become evident, which might allow the Contact Group to become re-engaged in the process of direct negotiations between South Africa and SWAPO? Such a waiting game could leave the United States with a free hand towards South Africa under the very weak pretext of giving the Americans the entire responsibility for finding a solution to South Africa's occupation of Namibia.

The alternative would be the adoption of a French position that would exert more pressure on Pretoria. But the government has refused to employ sanctions against South Africa to punish the white minority government for its continued administration of Namibia. As M. Jean-François Lionnet, a technical advisor of the Ministry of Foreign Relations, declared in October 1981, 'France will never go in the direction of those who plead for sanctions, and who use in fact a double talk, calling for these sanctions loud and clear in international situations while refusing that they be actually put into effect'.<sup>2</sup> Adds J. P. Cot, the former Minister of Cooperation and Development, 'We do not believe in the effectiveness of such embargoes'.<sup>3</sup> The personal hostility of Claude Cheysson to a policy of sanctions is equally well known.

Still, Claude Cheysson has remained adamant about not providing a second nuclear reactor to South Africa. Explains Cheysson, 'I can assure you that it is not now foreseen that such a sale might be authorised and that if the question should be asked of me, I would be personally opposed to such a project'.<sup>4</sup>

The supporter of a French policy which is clearly distinct from American policy, Claude Cheysson did not hesitate in 1982 to indicate that the Contact Group had terminated its work. He professed that every delay in the establishment of a cease-fire had been the consequence of factors and policies that had nothing directly to do with the Namibian question. After this statement, France began to condemn more and more clearly the question of 'linkage' with the Cuban presence in Angola. On 25 April 1983, at the opening of the UNESCO-sponsored meeting in Paris of an International Conference for the Support of the Namibian People, the French Foreign Minister attributed to the United States and South Africa – without naming them – the responsibility for the impasse in negotiations. Argued Cheysson, 'There is a double anomaly in linking the fact of the Namibian people to a decision of interest in another country, Angola, and to want to make a decision which only subverts Angolan sovereignty'.<sup>5</sup>

Some weeks later, in agreeing to receive the Luderitz Prize, Claude Cheysson sent the French ambassador to Pretoria to reaffirm that France demanded the implementation of Resolution 435 of the Security Council and to stress the French policy that the South African presence in Namibia remained illegal.

Certain commentators have tried to explain the absence of commitment in French policy towards South Africa in the light of the double-headed structure of France's decision-making process. Agreements between the Elysée – where Guy Penne has played an important role as advisor to François Mitterrand in African affairs – and the Quai d'Orsay on the other hand, do not seem easy to come by. Several times Claude Cheysson has offered to resign to protest at his lack of freedom of movement and the contradictory initiatives of the Elysée Palace.

It is true that orientations differ visibly between the Elysée and the Quai d'Orsay. As *Africa Confidential* recently noted:

Guy Penne and his assistant Jean-Christophe Mitterrand have adopted the pro-American line of 'constructive engagement' towards South Africa and support for Washington's linkage of Namibian independence to the withdrawal of Cuban troops from Angola; in this they probably are backed by Jean Ausseil, director of African Affairs of the Quai d'Orsay.

This analysis seems well-founded.

Jean Ausseil is the representative of France in the Contact Group. In this role, at the end of March 1982, he accompanied Chester Crocker to Luanda in order to try to have accepted there the propositions of the Contact Group. But the system of double elections in Namibia, elaborated by the American diplomat, was opposed by SWAPO, which preferred a system of proportional representation on a national basis.

It is not certain that the positions of Guy Penne regarding southern Africa are fundamentally pro-American, but it is clear that he represents the right wing of the socialist party. He would like France to protect its sphere of influence and its economic interests, while simultaneously upsetting 'Soviet intentions' in Africa.

At the Elysée, a number of pressures converge (emanating from the business sectors, the conservative African middle classes, and from the pro-South African lobby in France), in the fact of which the legitimate interests of the Namibian people and of SWAPO seem to carry little weight. Claude Cheysson, Lionel Jospin, and the International Secretariat of the Socialist Party appear to have adopted a much more militant line; they advocate bringing measures against South Africa, as well as

support to the Front Line states who are experiencing difficulties because of South African destabilisation policies. They also make it clear that France's foreign policy in southern Africa will be decided not in Washington but in Paris. But this group has found it necessary to create compromises with the Elysée and has taken responsibility for preserving the unity of governmental policy in France.

## FRENCH POLICY CONCERNING NAMIBIA

France considers itself the only member of the Contact Group which really supports the demands of SWAPO and defends the idea of the immediate application of Resolution 435. Claude Cheysson has acknowledged the existence of a cleavage within the Contact Group (with the United States and the United Kingdom on one side, and France, Canada and West Germany on the other), asserting that 'Neither the Germans nor us nor the Canadians have ever accepted [linkage]'. But he has also stressed the divisions among France, Canada and West Germany as well: 'The others are, as happens often, a bit troubled that the French dot their "i"s'. France maintains excellent relations with the governments of the Front Line states, and Paris has frequently welcomed Angolan and Mozambican ministers. In fact, it was at the request of the Angolan President, Dos Santos, that France suspended its participation in the Contact Group.

Things are less clear concerning French relations with SWAPO. This relationship has been complicated by several considerations: 1) projects for material aid to Namibian refugees, under the direction of the French minister for cooperation, M. Nucci, dragged on for more than two years; 2) SWAPO deplores the fact that its judicial status in France is not that of a liberation movement in exile; 3) the number of scholarships accorded by the French government to Namibian students from SWAPO is hardly more than that given by the previous government of Giscard d'Estaing; 4) more seriously, SWAPO has criticised France for not joining Third World countries in their efforts to prevent the lifting of the arms embargo against South Africa; 5) France has not recognised the legal authority of the United Nations Council for Namibia or Decree No. 1 protecting Namibian resources; 6) although in power for more than four years, the French government has yet to ban the illegal import of Namibian uranium; and 7) SWAPO regrets that France refuses to implement any form of economic sanctions against South Africa, or any other measures of rebuttal which would have restricted Pretoria in its efforts to acquire military equipment.

As for the leaders of the Socialist Party, they have hardly begun, during their several years of rule over Parliament, to bring about changes to the existing relations with occupied Namibia. In a declaration of May 1981 which caused an uproar at the opening session in Paris of the International Conference of the United Nations for Sanctions Against South Africa, Lionel Jospin, First Secretary of the party, promised that the new government would have a new and active policy towards Namibia. Said Jospin,

For us socialists, there can be no further stalling, temporising and searching for new alternatives; we will demand that the government put everything possible into action so that Namibia may arrive at independence in the conditions foreseen by Resolution 435. The Socialist Party always has been favourable to having sanctions imposed against South Africa. Specifically, it has advocated: 1) the stopping of all commerce with occupied Namibia, especially uranium; 2) the imposition of trade restraints on technological exports to South Africa; and 3) a ban on public investments and of all to private investors operating in South Africa.

At the same time, Lionel Jospin suggested that the government of the Left would bring political and diplomatic support, including humanitarian assistance, to the refugees and soldiers of the liberation movements in South Africa and Namibia.

It is easy to assess the success of the Socialist Party in achieving the above goals. Under the Socialistic Government, commerce with Namibia has remained very active, especially regarding the importation of uranium, fish, and furs. The Socialist Government has refused to impose economic sanctions against Pretoria as punishment for their continued occupation of Namibia. The only reduction of imports from South Africa corresponds to a decrease in French purchases of South African coal, and this has been due primarily to the opening of new nuclear power plants in France. Although French investments in South Africa were already weak during the time of Giscard d'Estaing, French banks have continued to lend great sums of money to Pretoria even though these banks are now nationalised.<sup>6</sup>

To the credit of the Socialist Party, it has offered financial contributions to the missions of the ANC and SWAPO in France. In addition, it has refused to deliver a second nuclear power reactor to South Africa and has reactivated its sports boycott against Pretoria.

Since, 1981, the French Socialist Party has focused attention on the preparation of a meeting of the Socialist International in southern

Africa. In effect, the Socialists have proposed a political alliance between the states of the Southern Africa Developing Coordinating Committee (SADCC) with countries whose governments are directed by member parties of the Socialist International. The creation of such a political alliance between the Socialist countries of Europe and southern Africa would be reinforced by an important economic presence of European enterprises in the countries of the Front Line states, a presence whose effect would be to impose a certain moderation on South Africa, and in particular, to limit its destabilisation of progressive regimes in the region.

This strategy is far from being of ulterior economic motives since the economics of the EEC have everything to win in a reduction of regional tensions, which would allow them to profit from the opportunities of that rich region.

Years of laborious efforts to realise this conference have revealed the difficulties and obstacles within the Socialist movement. The Lebanese crisis in 1983 caused much dissension within the movement. Also, the ANC and SWAPO have for a long time refused to be seated in common conference with the Israeli Socialists. But in the end, the great political meeting of the Socialist International with the leaders of the Front Line states and the liberation movements (ANC and SWAPO) took place at Arusha at the beginning of September 1984.

## POLITICAL DEVELOPMENTS AFTER NKOMATI

The signing of the Nkomati Accord in 1984 surprised many observers, but not the French Socialists who had been keeping themselves informed for a long time of the negotiations between South Africa and Mozambique. This rapid evolution of the political situation in southern Africa since the beginning of 1984 has forced Socialists to modify their interpretations of the political realities of the African sub-continent.

The development of non-aggression pacts and of 'good neighbour' agreements between South Africa and its neighbours has had serious implications regarding the economic relations of South Africa and the majority of the states of SADCC. French socialist leaders have wondered how they can reverse these actions taken by the South African regime. If Samora Machel and P. W. Botha could shake hands at Nkomati, and if Kenneth Kaunda himself did not hesitate to sit down with South African in the midst of OAU consternation, and if the Prime Minister of South Africa could be received in the principal European capitals –

all without any serious repercussion on commitment to negotiations on Namibia – it signifies to many French socialists that a policy of dialogue may be the only strategy likely to bring modifications to the situation in southern Africa. After all, the arms boycott of South Africa has, according to these leaders, resulted only in inciting Pretoria to construct its own arms factories, to the point where South Africa has today become a major exporter of arms. French socialists have argued that an effective policy against Pretoria could be rendered by:

- 1) maintaining the isolation of South Africa in certain sensitive and symbolic areas such as arms, nuclear power and sports relations;
- 2) sustaining the internal struggles against apartheid and receiving white and black dissidents in Paris;
- 3) keeping economic relationships with South Africa which are beneficial to the French economy; and
- 4) sustaining the negotiation process by serving as a discreet intermediary when the Front Line countries require it.

This was an analysis which proved to be dangerous. By turning their back on an isolationist policy in such a deliberate fashion, the Socialists contributed to the legitimation of the South African regime. Pretoria was treated merely as any other authoritarian regime, and the ANC and SWAPO were made into just another movement in favour of human rights rather than national liberation movements.

The visit in 1984 of the South African Prime Minister to Europe (and especially to France) was revealing of the ambiguous position of the French Socialists. Jean Ausseil actively lobbied to invite P. W. Botha to Paris, and on 7 May the government announced that Botha would be welcomed in Paris 'at an appropriate level'. But under pressure from the Socialist Party and some anti-apartheid groups, neither François Mitterrand nor the Prime Minister, Pierre Mauroy, were willing to meet P. W. Botha. Christian Nucci, Delegate Minister of Cooperation, then announced to the Parliament that no *official* meeting would be forthcoming between Botha and French heads of government.

Nonetheless, the government did not oppose efforts by a South African lobby to have P. W. Botha come on a *private* visit for the inauguration of a monument to commemorate the 18 542 South Africans who died in the course of the two world wars. This visit took place immediately following the official commemoration by Ronald Reagan, François Mitterrand, and Queen Elizabeth on the 40th anniversary of the invasion of Normandy.

The firm opposition of the French Socialist party to the official reception of P. W. Botha was due to intense pressure from unions and anti-apartheid groups. The Socialist Party agreed that it would be

dangerous to receive Botha, since no real progress had been made on the Namibian question. More importantly, the Socialist Party feared that such a visit, given the forthcoming Conference of the Socialist International at Arusha, would have been interpreted as a compromise with apartheid by other Socialist allies. In an interview on 10 May 1984, Lionel Jospin declared, 'I am not unaware of the developments in Namibia, but they have not led to anything. As for the policy of apartheid, there has not been the least change'. Jospin added,

If Mozambique signs an agreement with South Africa we ought to understand that it was, for their country, a question of survival. We are not in the same situation. The battle against apartheid remains a decisive element in the battle of the Socialists for world freedom. It must remain that, practically and symbolically (see note 2).

The Socialists have been clever about making, at the right moment, prompt gestures which set France apart from other great western nations. For instance, Claude Cheysson received Sam Nujoma, SWAPO President, right in the middle of Angolan–South African negotiations so as to emphasise that there can be no true negotiations without the participation of SWAPO. And some months later, at the moment when the French government refused any official meeting with the South African Prime Minister, Claude Cheysson invited the founder of SWAPO, Herman Toivo ja Toivo, to lunch.

By these subtle moves, the Socialists have hoped to protect their economic interests in the region while affirming the original aim of French policy to play a constant and discreet role in the mediation process between the countries of the Front Line states and South Africa, as well as between SWAPO and South Africa.

One wonders whether these 'good offices' have served any useful purpose *vis-à-vis* the South African regime, since apartheid seemed to be strengthening and South Africa remained integrated into the western community. It was only after 24 July 1985 that the socialist government officially backed a policy of sanctions. Following the proclamation of the state of emergency in South Africa in 1985, the Prime Minister, Laurent Fabius, announced a freeze on French investments in South Africa. France then introduced in the UN Security Council a resolution calling for voluntary sanctions. A few months later, following an EEC not to deliver European oil to South Africa, the French government signed a decree on 8 January 1986 which made it illegal for French companies to deliver oil from the national territory to South Africa.

Once again, these gestures, although certainly positive, were too few and came too late. The effect of French sanctions was bound to be very limited. After opposing sanctions between 1981 and July 1985, while simultaneously encouraging a very active economic cooperation between France and South Africa, the socialist government adopted a few sanctions only a few months before losing parliamentary power. A cynical attitude? No, just paying lip service to French government support for the struggle against apartheid, while continuing to make business with apartheid.

The sanctions adopted by France were very limited. While blocking an annual 100 million francs worth of direct investment to South Africa, the government left untouched the 14 billion francs invested by French companies in South Africa, and the 21 billion francs loaned to South Africa. The French-nationalised banks could still make profits on the money they lent to the Pretoria regime. The order to French companies prohibiting the export of oil from the national territory to South Africa was ridiculous since France produces no oil. Furthermore, the decree provided no measure to stop the French company TOTAL from delivering refined products to South Africa and Namibia, including sales to the South African army and police.

Between 1981 and 1986, the socialist government lost an historical opportunity to make a real break in the position to France towards South Africa. It lost the opportunity to build powerful pressure within the EEC in favor of mandatory and comprehensive sanctions against Pretoria. The consequences will be more suffering in southern Africa, more blood, and more deaths.

## ECONOMIC RELATIONS BETWEEN FRANCE AND NAMIBIA

The economic ties between France and Namibia are difficult to discern because the Statistics of Foreign Trade do not list Namibia separately from South Africa. We can note, however, the principal areas of these economic exchanges.

### *Agro-Industry*

Karakul furs are traded in France under the name Swakara. The firm Interagra of J. B. Doumeng possesses a part ownership in the refrigerated ware houses and the slaughterhouses of Walvis Bay.<sup>7</sup>

The firm SOCOPA (an importer and exporter of meats) has participated in the construction of refrigerated warehouses worth



20 million rands in Gobabis. This project was financed to the extent of 85 per cent by COFACE (a public insurance agency for French exporters controlled by the Foreign Trade Ministry).

Also, the Namibian pilchard is marketed in France.

### *Mines.*

The French Petroleum Company (CFP) retains a 10 per cent participation in Rossing Uranium Limited. This uranium continues to be brought to France for processing at the Comurhex factory at Malvesi, near Narbonne.

In a consortium with Union Carbide (of the US), CFP-Total and Elf Aquitaine began prospecting for uranium in 1972 over a surface of 5108 square kilometres in Namibia.<sup>8</sup> Elf maintains that these important exploration rights for uranium, which are not far from Rossing, have not yet been mined. The group apparently intends to conserve this resource.<sup>9</sup> Meanwhile, the heads of the Industry Ministry in Paris have denied this claim and assert that Elf-ERAP has no prospecting permits in Namibia.<sup>10</sup>

Since 1973, Elf Aquitaine has been involved in a joint venture with a subsidiary of an American company, Nord Mining, for the prospecting of copper on an area situated around the Kojeka farm, about 150 kilometres from Gorob. According to the agreement, Elf must furnish an initial investment of US\$300 000 for exploration; additional expenses must be shared, pro rata, from the part of the capital held back (60 per cent for Aquitaine and 40 per cent for Nord).<sup>11</sup> In 1976, Aquitaine SWA released itself from participation from the project, transferring its shares in the venture to a newly-created company called Omitaramines.<sup>12</sup>

Elf Aquitaine also has carried out *oil exploration* in the territorial waters of Namibia over an area of 62 195 square kilometres.<sup>13</sup> In 1970, the South African state company SOEKOR granted exploration rights to a joint venture made up of Aquitaine South West Africa and a subsidiary of De Beers.<sup>14</sup> Elf Aquitaine seems to have put 'on hold' its explorations in Namibia following the electoral victory of the Socialists.<sup>15</sup>

The Pennaroya Mining and Metallurgic Company launched a joint venture with JCI, a South African company, for *copper prospecting* in the Gorob area. Nord Resources (of the US) also participates in this joint venture. In 1982, ownership in Pennaroya's Namibia venture consisted of 20 per cent for PMM, 60 per cent for JCI, and 20 per cent for Nord.<sup>16</sup>

The state-controlled Office of Research and Mining Geology (BRGM) has participated in some short-term prospecting in Namibia, apparently

in collaboration with some French and South African companies. A correspondent of *Le Monde* noted that in 1981 'the BRGM conducted some geological surveys for its own account and for that of the South African Government'. However, the company denies any role in mining activities in Namibia.

#### *Transport.*

The company UTA participated in 1978 and 1979 in the aerial transport of uranium oxide from the Rossing mine to France. It is likely that another company of the group guarantees the maritime transport of uranium to Europe.<sup>17</sup> The Chargeurs Réunis, which possesses two Ro-Ro ships (*Ango* and *Ronsard*) is a member of the South African-European Container Service, a pool of shipowners who use containerised ships and participate equally in the South and the South East African Conference (a shipping cartel). The ships *Ango* and *Ronsard* make occasional stops at Walvis Bay.

Sodeteg, which incorporated in South Africa in 1969, has been searching for oil in Namibia.<sup>18</sup> In South Africa, Sodeteg is associated with numerous activities connected with the nuclear power industry. A subsidiary of the Thomson group, Sodeteg specialises in engineering and is considered to play a key role in military collaboration between France and South Africa.

#### *Finances.*

The French Bank of Southern Africa, a subsidiary of the Indo-Suez Bank, maintained a branch office in Windhoek until 1982.

#### *Distribution.*

CFP-Total operates numerous service stations throughout Namibia. It is safe to assume that it counts the South African army among its customers.

## CONCLUSION

The refusal of the Socialists to apply real pressures, such as sanctions (which would open the door to true negotiations with Pretoria on the Namibia question) means that France must share responsibility for the deteriorating situation in southern Africa.

With the Socialists losing parliamentary power in the March 1986 elections, it appears that it is already too late for France to play a much

more dynamic and active role in isolating Pretoria and in bringing to bear French economic and political pressure to weaken the South African regime.

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# 3 West German Relations with Namibia

Henning Melber and Gottfried Wellmer

Given the historic roots of German–Namibian relations in the colonial period between 1884 and 1915, which resulted in the existence of a considerable German-speaking population in Namibia, the Namibian issue has always been a topic with a relatively high degree of identification among the major part of the (older) West German population and those politicians acting in a spirit of positive tradition and loyalty towards Germans the world over.<sup>1</sup> The West German government has become especially interested in South Africa's recent attempts to establish an African collaborator government in Namibia. Although the Bonn Government has yet to officially recognise the Democratic Turnhalle Alliance, the Multi Party Conference, or the more recent Transitional Government of National Unity, West Germany has engaged in a number of activities that directly support Pretoria's attempts to find an 'internal solution' to the Namibian dispute. This chapter draws attention to the initiatives and policies of the Federal Republic of Germany which support an anti-SWAPO government in Namibia.

## WEST GERMAN FOREIGN POLICY SINCE 1982

In October 1982, the Federal Republic of Germany found itself with a new government, which was formed through a coalition of the Christian Democratic Union (CDU), the Christian Social Union (CSU), and the Liberal Party of the Free Democrats (FDP). Leaders, especially of the Union parties, had been supporting South African policies in Namibia for several years before the coalition government with the Free Democrats took power in March 1983. For example, in 1977 when the West German government closed its consulate in Windhoek, the CDU/CSU strongly protested this move in parliament. This closure of the consulate had followed the South African government-sponsored massacres in Soweto and Langa in 1976. F. J. Strauss of the CSU was adamant in his criticism of this policy of closing the consulate, arguing:

The problem of this country (Namibia) is today no longer the mandate of South Africa, because South Africa is prepared and resolved to release South West Africa into independence, but not into 'liberation' through a terrorist organisation, SWAPO... In a SWAPO-ruled Namibia there is no longer a place for whites – except in prisons, concentration camps or in cemeteries... One's mind does anguish, one is revolted by the fact, that for the sake of SWAPO the government of the Federal Republic of Germany has closed the German consulate in Windhoek, leaving German citizens residing there without legal protection... It is unbelievable but true, that the UN has recognised SWAPO as the sole and rightful representative of Namibia without the least democratic legitimation (of SWAPO) being in evidence.<sup>2</sup>

Later, Strauss was joined by other members of parliament in making an application to the West German government to maintain the consulate in Windhoek. In the parliamentary debate, the CDU/CSU declared that the closing of the Windhoek consulate would endanger German interests in Namibia. Their statement explained, *inter alia*:

In front of the whole world the Federal government bows to the blackmail demands of the militant, communist-ruled SWAPO and to the pressure of African forces sympathising with it. At the same time it impairs year-long efforts of the South West African population groups for a peaceful way to independence.<sup>3</sup>

Parliament rejected the CDU/CSU proposal by a vote of 237 to 219.

The CDU/CSU see SWAPO as an instrument of Soviet global strategy. According to one MP, an electoral victory by SWAPO in a free, UN-supervised and internationally recognised election in Namibia would be tantamount to a realisation of communist plans for Africa, thus changing the balance of power in the world and endangering world peace.<sup>4</sup> The CDU and CSU, through their political foundations, have sought to circumvent this outcome by massively supporting the DTA in Namibia. In the sham elections in 1978, DM 4.5 million was used to buy the Windhoek-based *Allgemeine Zeitung* and the *Windhoek Advertiser*. Other funds were used to finance the election campaign of the DTA. In addition to these efforts, the Konrad Adenauer Foundation (CDU) and the Hanns Seidel Foundation (CSU) started plans for adult education projects in Namibia through the Institute for Social Advancement in Windhoek. Among the motivations for these programs was to strengthen the political position of the DTA in the pre-independent era, and to extend the NATO area of operation to include southern Africa.

Thus, on 10 November 1981, the speaker of the CDU/CSU group in Parliament on defence matters, Oberstleutnant aD Peter-Kurt Wurzbach, demanded in a public CDU seminar that South Africa be integrated into NATO security policy. Wurzbach suggested a kind of division of labour, under which West Germany would undertake defence tasks from the USA, Britain and other NATO members in Europe in order to enable the USA and others to be 'more flexible' in southern Africa. Under this plan, West German development aid would serve as an instrument to stabilise conditions in southern Africa in order to protect western global security interests.

In the same seminar, MP Dr Karl Heinz Hornhues demanded that the West German government strengthen the DTA as the democratic alternative to SWAPO by granting development aid to Namibia before the UN-supervised elections and the future independence of Namibia. This demand was supported by Dr Volkmar Kohler (CDU), who under the conservative government had been appointed as a ministerial secretary in the Ministry for Economic Cooperation. In March 1981, the CDU/CSU in parliament demanded that the government support financially private investments in illegally occupied Namibia.

These demands were again raised by a delegation of the DTA in Bonn during its visit in November 1981. When early in 1982 the German Namibia Foundation appealed to the Foreign Office in Bonn to support a DTA adult education project in Windhoek, the Foreign Office declared that it was generally in sympathy with all private efforts to help the black and coloured population in Namibia, but insisted that 'the Federal government deems it incompatible with its position as a member of the Contact Group of the Western Five in the framework of the Namibia initiative to be itself active in the area of development aid before an internationally accepted independence of Namibia'.<sup>5</sup> However, by October 1982 the new government appeared to be more willing to consider the direct support for the internal administration in Namibia. In reply to a letter signed by MPs of all four established parties involved in a common initiative named 'Gesprachskreis Namibia im Deutschen Bundestag' (Namibian Discussion Group in the German Parliament), the Foreign Office reacted to the notion for increased support of moderate forces in Namibia on 14 October 1982. The minister explained that

church organisations have already received federal funds for the support of a scholarship fund in Namibia. Due to your letter I will examine the question of how far such measures can be reinforced

and perhaps extended to other groups in Namibia... The Federal government shall continue in this process to examine carefully and sympathetically opportunities for assistance before Namibian independence.<sup>6</sup>

H. J. von Hase, a member of the DTA ministerial council, had two official discussions with the new minister for Economic Cooperation, Dr Jurgen Warnke (CSU), during which he offered two projects of the DTA for the consideration of the West German government.

Furthermore, the same group of MPs appealed to the Foreign Office to come to the aid of the National Assembly of the DTA, which the South African Prime Minister allegedly intended to dissolve by 21 November 1982. The MPs demanded that Bonn 'maintain the democratic legitimisation of the internal development in Namibia... either through renewed internal elections... or through a prolonging of the mandate of the National Assembly'.<sup>7</sup> Bonn rejected this request, as the December 1978 internal election had been declared null and void by the UN Security Council.

The FDP, as a coalition partner with the CSU and CDU, has also established a reputation for encouraging the development of a collaborator government in Namibia, despite the fact that Foreign Minister Hans-Dietrich Genscher (FDP) has always emphasised that the application of UN Resolution 435 remains the only valid basis for any meaningful solution to the Namibian conflict. But under Genscher, the Ministry of Foreign Affairs has taken little, if any, initiative to realise the implementation of Resolution 435. Instead, moves towards closer cooperation with the so-called 'internal parties' became increasingly obvious in political circles operating outside the Foreign Department. A number of parliamentarians, mainly from the CSU and CDU but also from the ranks of the FDP (and even a few 'scapegoats' within the SPD), pledged further support of the local structures in Namibia through the intensification of relations in the economic, political and cultural fields. These links have always existed throughout this century, but have become an issue not discussed openly in official circles. But with the new coalition government in late 1982, the 'moral obligation' towards the German element in white settler politics became articulated more strongly and openly. Demands for the support of 'peaceful' and controlled change in Namibia through internal reform began to grow.

The relative importance of southern Africa to West German foreign policy became obvious in 1985, when a public debate by members of the government coalition criticised Genscher's line of 'Ostpolitik' and

at the same time focused attention on southern African affairs.<sup>8</sup> Genscher and the Foreign Ministry had to defend their line on southern Africa in general, and Namibia in particular, against criticism from the ranks of CDU and CSU (most prominently articulated by CSU leader and Bavarian Minister President Franz-Josef Strauss). During a common session of the parliamentary factions of CDU and CSU, harsh criticism was expressed by CSU MPs against Foreign Minister Genscher's Namibia policy because it was not going far enough in establishing closer cooperation with the MPC's interim government. This frustration eventually boiled over into the Liberal Party when a couple of FDP MPs (among them the former Minister of Agriculture Josef Ertl) challenged the Foreign Ministry's rejection of the MPC government.<sup>9</sup> Ertl expressed his dissent in an interview with the public relations agency financed by the interim government as its foreign representative, the Namibian Information Office, with headquarters in Bonn.<sup>10</sup> Ertl argued that support for political, cultural and economic contacts with the 'Transitional Government' would lead the MPC alliance out of the one-sided embracement by South Africa.<sup>11</sup> Still, others within the FDP openly criticised this notion and argued that Resolution 435 was still the only basis for a solution to the Namibian question. This dispute clearly indicated that even within the coalition government a debate had started in 1985 by the CDU and CSU to 'correct' Genscher's line.

Although the number and influence of those parliamentarians prepared to back a one-sided, South African 'pseudo-solution' to the Namibian decolonisation process seems not to be important in terms of real power, they possess enormous capabilities for supporting the collaborator government in Namibia (including frequent visits of MPs to Namibia). Even though West German foreign policy is still decided and shaped in Bonn and not in Munich (while it is sometimes hard to see the differences), there does seem to be increasing support within the FRG for a unilateral declaration of independence (UDI) in Namibia. The official in charge of African affairs within the Foreign Ministry, Dr Hans-Gunter Sulimma, indicated the changing attitude in his speech to the German South West Africa/Namibia Association on 9 June 1985 in Bonn. While he defended the Foreign Ministry's decision not to recognise the Transitional Government, he still indicated that the MPC government could certainly rely upon positive reaction once it could claim to have achieved 'certain rights' for the Namibian population.<sup>12</sup> But, Dr Sulimma explained, SWAPO naturally should have access to any free elections in Namibia. According to Dr Sulimma, assistance to



the MPC government in the present situation would mean supporting something that does not have a chance for survival. But if Pretoria would allow the MPC the urgently required range of activities to gain profile as a reformatory force, Bonn could claim to be sympathetic to these efforts.

To a great extent, the above quarrel represented a pseudo-controversy rather than revealing real basic differences within the government. Obviously, the watchword 'continuity' as issued by Genscher after the change in government was misunderstood by the pro-South African hard-liners who did not realise that 'continuity' in this context only meant 'flexibility'. In any case, the MPC did not need to be afraid of being unconditionally rejected by any of the positions assembled within the FRG's government coalition.

Although recommendations to openly support South Africa's administration of Namibia failed to be adopted by the Foreign Ministry, important and crucial shifts in other fields indicated the willingness of Bonn to alter West German policy towards Namibia so as to support the neo-colonial policy of 'constructive engagement'. While the influence of Genscher's point of view prevented an official change of policy by the Foreign Ministry, other state departments under control of the CDU/CSU parties embarked upon a new policy of increasing direct support for the collaborator government in Namibia. For example, the Ministry for Economic Cooperation, under Minister Dr Jurgen Warnke of the CSU, allowed revenue funds to be used for projects within Namibia. As the Ministry's annual report for 1983 revealed, twelve projects within Namibia were supported by funds of the Ministry's budget, amounting to DM 2.694 million.<sup>13</sup> In recent years this financial assistance has increased dramatically. Projects have concentrated in the field of education and training, and are obviously aimed at helping to build a Namibian society that is more permissive in terms of racial integration and less characteristic of racist class structures.<sup>14</sup> These projects within Namibia are organised in cooperation with local private initiatives and West German institutions, with the Ministry for Economic Cooperation contributing a significant amount to the budget. Among the institutions and donor-agencies in the FRG responsible for such aid are the Hanns-Seidel Foundation of the CSU and the Konrad Adenauer Foundation of the CDU. Pressure on the Friedrich Naumann Foundation of the FDP also has established projects inside Namibia as well. Other agencies involved in these 'development efforts' include humanitarian organisations such as the Welthungerhilfe and the Johanniter. Lastly, the Otto Benecke Foundation

(an agency financed by the Foreign Department) deserves to be mentioned for its recent plans to establish a training centre for artisans in Windhoek, with some DM 16.6 million already put aside by the Ministry for Economic Cooperation in its budget to sponsor this endeavour.<sup>15</sup>

Another recent project has been designed to collect funds in the FRG to support (in addition to the government's commitment) the German Higher Private School in Namibia;<sup>16</sup> 'A Bridge to South West Africa/Namibia' serves as the motto for this campaign initiated by the German South West Africa/Namibia Association. Their call for donations by the public was signed to prominent representatives and leaders in the FRG, including eleven present members of parliament from all four established parties. During the Summer of 1985, the same association revealed some interesting connections when they invited two professional officers from the West German army as guest speakers. The military officers spoke about their impressions from a visit to the military war zone in northern Namibia in 1984. Since this region can only be visited with a special permit, it brought heated inquiries from members of the Green Party who wanted to know whether these two officers were guests of the South African army on an official mission.<sup>17</sup>

Such examples demonstrate that behind the rhetoric of official rejection of the MPC lies a different world and another political reality. The former President of Parliament, Kai-Uwe von Hassel (CDU) – proud to be a born 'German-East African' – has been reactivated by his friends in South Africa for representative functions of the new policy. He is now heading the advisory board of a recently founded Deutsch-Namibische Entwicklungsgesellschaft, collecting funds and inspiring private activities for the economic exploitation of Namibia. The same Kai-Uwe von Hassel was among a group of West German visitors attending the ceremonies on 17 June 1985 at Windhoek, which inaugurated the Transitional Government. While in Windhoek, von Hassel publicly declared that he and his fellow travellers (including members of all four established parties) were participating in the ceremonies as representatives of a broad spectrum of German public opinion.<sup>18</sup> While von Hassel delivered this statement, the President of the Federal Constitutional Court, Professor Wolfgang Zeidler (a member of the SPD) stood in his company. As a guest, he also had attended the ceremony, and as the highest judge within the FRG by his office, he represented a welcomed VIP for this occasion.<sup>19</sup>

At a Bonn conference in May 1985, organised by the Konrad Adenauer Foundation (CDU), members of the MPC were invited to discuss with jurists the draft constitution for Namibia. Among the more

prominent office-bearers serving as consultants to the MPC efforts was judge Hans-Hugo Klein, former CDU-MP and more recently a member of the FRG's constitutional court. This meeting followed a November 1984 conference, hosted by the Hanns Seidel Foundation (CSU), where prominent delegates of the MPC could discuss Namibian politics with high-ranking Western diplomats. One could hardly believe that these events could serve the purpose of rejecting steps towards a UDI in Namibia.

## WEST GERMAN ECONOMIC RELATIONS WITH NAMIBIA

West German political support for South Africa's attempts to establish an internal collaborator government inside Namibia also has the convenient effect of protecting German commercial operations in the occupied territory. Based on our own estimates, at least fifty German companies have direct investments in Namibia.<sup>20</sup> The Bonn government has refused to interfere with these commercial relations, even though they clearly represent a violation of international law. Among the more significant of these German investments is that of Urangesellschaft which participates in Rossing Uranium Ltd with a capital share of 5 per cent.<sup>21</sup> Urangesellschaft is equally controlled by Metallgesellschaft AG, STEAG AG, and VEBA AG.

Another important German venture in Namibia is the Otavi Mining Company, which is involved in the mining of lithium, germanium and vermiculite. Otavi Mining is owned by Degussa (40 per cent), Metallgesellschaft (40 per cent), and the British Metal Corporation (20 per cent).

In addition to the part ownership of the above mineral companies, Metallgesellschaft independently mines lithium copper and zinc near Karibib. The Dresdner Bank controls over 25 per cent of Metallgesellschaft.

The Deutsche Tiefbohr AG, a West German-controlled corporation, has been prospecting for oil in Namibia's Etosha Pan for several years. And Alfred Hempel KG, based in Dusseldorf, has been active in mining rare minerals such as tantalite, wollastonite and uranium through its subsidiary, Future Ltd.

As important as these investments may be, the most strategic aspect of West German business relations in occupied Namibia relates to banking interests. According to a recent study, among the top twenty lenders for bank loans to South Africa between mid-1982 and the end

of 1984 were five banks from the FRG.<sup>22</sup> Figures mentioned in the course of a parliamentary debate on this subject indicated that between June 1982 and April 1985 more than 92 per cent of the value extended in loans to South Africa with participation of West German banks went directly or indirectly to the South African state or state-controlled institutions. The involvement of West German banks grew even as international criticism to South Africa increased. Between June 1982 and April 1985, West German banks assumed a leading position in the processing of eighteen loans and had thereby managed more than 82 per cent of the total value of public South African loans.<sup>23</sup> More recently, since the reduction of capital investment by US banks (especially after the emergency proclamation in mid-1985) the South African connection by West German bank capital intensified even more.

In recent years, West German banks have assumed direct control over the financial structures of Namibia. For example, the Dresdner Bank now controls 51 per cent of the share capital of SWABANK, one of occupied Namibia's most powerful financial institutions. About one-third of the remaining SWABANK shares remain in the possession of white settlers in Namibia. There has been some speculation that the Dresdner Bank's majority shareholding of SWABANK may be transferred to the Société Financière pour les Pays d'Outre-Mer (FSOM), based in Switzerland. FSOM is a holding company controlled by, and associated with, the Dresdner Bank.

Other shareholders of FSOM are the Banque Nationale de Paris SA, the Banque Bruxelles Lambert (of Belgium), and the Bank of America (USA). Managing control of SWABANK still rests with Dresdner Bank AG. The first chairman of the board of managing directors of SWABANK was E. G. Blohm, who also served as chairman of Volkswagen of South Africa.

The German-speaking settler community in occupied Namibia speaks of SWABANK as the first bank of 'South West Africa' able to link up directly with international finance. Indeed, the shareholders of FSOM provide excellent links to finance capital in the USA and EEC countries. Through Banque Bruxelles Lambert and the Banque Nationale de Paris, SWABANK can even extend these links to banks in independent African countries.<sup>24</sup>

The German settler newspaper, *Allgemeine Zeitung*, based in Windhoek, expects that SWABANK through its new connections could attract more European companies to invest in occupied Namibia. The paper argues that chances are especially strong for smaller West German companies to transfer part of their production processes to occupied

Namibia with its low-wage African labour. The *Allgemeine Zeitung* also attaches some political importance to the takeover of SWABANK through Dresdner Bank, explaining that 'If such a financial institution of the Federal Republic of Germany engages itself here in these critical times of South West Africa/Namibia, this can be taken as one of the best proofs of foreign confidence in the future of this country'.<sup>25</sup> When the Federal government was asked by the Green Party to respond to this 51 per cent involvement of Dresdner Bank AG in SWABANK, the government explained that it was the bank's business to handle their own affairs and responsibilities.<sup>26</sup>

West German firms are also involved in manufacturing military weapons that can be used to suppress Namibian independence. Most prominent among these firms is Daimler-Benz AG, based in Stuttgart. During the past decade, the military supplies delivered by Daimler-Benz to South Africa have included tractor engines for the transportation of tanks; military trucks; special engines for speedboats supplied by the company Maschinen und Turbinen Union (MTU) in which Daimler-Benz holds 50 per cent of the shares; engines for minesweepers; and engines for military transport planes such as the C-160 'Transall'.

More recently, the Daimler-Benz company and the government of the FRG have produced military weapons inside South Africa for Pretoria's use. For example, in Atlantis near Cape Town the manufacturing company Atlantis Diesel Engines (ADE) produces diesel engines (after 1984 about 40–50 000 units, allegedly only for trucks and tractors) with licences and construction plans from Daimler-Benz. The granting of licences with this State-owned South African company took place in November 1978. Strategic military considerations are the main reasons for this production: 1) since 1978, the jeep model 'Trax' of the South African army can be equipped with a 3.7 litre 4-cylinder engine from Daimler-Benz which corresponds with the engine type 314 of Atlantis Diesel Engines; 2) the military use of ADE engines can be deduced from the high horsepower capacity of the engines produced, which range up to 607 horsepower. Such powerful engines are only used for specialised work (that is, they can propel tanks); and 3) Daimler-Benz Director, Helmut Schmidt, confirmed in 1981 that the vehicles that are equipped with ADE engines may be supplied to the South African army.

It should also be noted that, during the period 1973 to 1981, the Daimler-Benz Company delivered several thousand UNIMOG vehicles to the South African Armed Forces, a fact which neither the Daimler-Benz Company nor the Federal Government denies. The Federal

Government claimed in 1977 that a military version of the UNIMOG did not exist; whereas the Daimler-Benz UNIMOG, according to the classification of the Federal Ministry of Defence, is indeed listed in Category III of their list of military vehicles. In 1981, the Federal Government declared in response to an enquiry by Peter Conradi, MP (SPD), that this 'partly militarised' UNIMOG version (equipped, for instance, with holding devices for weapons; roof loophole; bullet-proof driver's cabin; camouflage lights; bullet-proof tyres; or the military version of a car repair vehicle) was not subject to export permission.

The military version of the Daimler-Benz UNIMOG referred to here is standard equipment of the South African Armed Forces. Ever since 1975 South Africa has been using the military UNIMOG for attacks against Angola.

Through these business deals with South Africa, both the Government of the Federal Republic of Germany and the Daimler-Benz Company carry responsibility for the acts of aggression by South Africa against the Front Line states. Through its knowledge, its approval and export permission, the Federal Government has given support to the expansionist policies of South Africa.<sup>27</sup>

## GERMAN SETTLER INFLUENCE INSIDE NAMIBIA

Since the aftermath of the Second World War the German-speaking settler community in Namibia has claimed to abstain from political involvement and participation in Namibian internal affairs. With the exception of several informal fascist circles of little relevance (and individual members of other parties coming from the German group), no political organisation with special reference to the historic and cultural background of these German settlers has been established. Instead, for over thirty years the settlers of German descent as well as new immigrants from the Federal Republic of Germany have proved to be one of the silent but trustworthy and reliable pillars of the National Party's dominance in Namibia.

More recently, this situation has changed to a considerable degree since the initiation of the so-called 'Turnhalle Conference' which partly split the National Party. This process of formal decolonisation led to the creation of some thirty-odd political splinter groups among the whole Namibian population (mainly representing individual interests). Among these groups was the first political group claiming officially and publicly to represent the interests of the German settler community.

The Interessengemeinschaft Deutschsprachiger Sudwester (Common Interest Association of German-Speaking South West Africans), in short called IG, was founded in August 1977 with the aim of activating the German-speaking population, which totalled about 23 000 people. In July 1978 the IG had 1600 enrolled members belonging to various political parties. The IG declares that it 'fights against the claims for power of all totalitarian organisations and condemns the use of violence as a means to settle political controversies'. While the IG welcomed the endeavours of the five Western powers in their negotiations with the South African Government and SWAPO, it has never regarded the UN as an honest mediator in the conflict. The IG regards the FRG as its natural partner and keeps in contact with political parties and groups and important media in the FRG. The IG has proclaimed that its ideas about the future constitutional state in Namibia are convincingly represented by the Republican Party of the South West Africa and the Democratic Turnhalle Alliance.<sup>28</sup>

It may well have been the relationship of the IG with West German political groups which resulted in Dr Dieter Lauenstein's sudden purchase of the *Windhoek Advertiser* and the *Allgemeine Zeitung*.<sup>29</sup> Some observers suggest that part of the financing of these takeovers derived from the Konrad Adenauer Foundation (CDU) and the Hanns Seidel Foundation (CSU). The CDU and CSU have maintained close relations with the IG as indicated by various visits of leading politicians such as the late Dr Werner Marx to the annual congress of the IG in August 1979.<sup>30</sup> In his speech Marx (who until his death in mid-1985 was the speaker of the CDU/CSU parliamentary faction for foreign affairs in Bonn) mentioned the great financial support that the IG had received from West German groups, which was used to support the DTA in the internal elections of December 1978.

By the mid-1980s the IG was no longer sure about its unconditional alliance with the DTA. Confronted with South Africa's rigid and inflexible way of controlling 'internal politics', the IG leadership took the surprising step of contacting the national liberation movement, SWAPO. A meeting for an informal exchange of views took place in early 1985 in the capital of Zimbabwe, Harare, with parts of SWAPO's exiled leadership. News about this clandestinely arranged meeting (rumours afterwards claimed that the Foreign Ministry of the FRG was involved in establishing the contacts) stirred a major dispute and revolt within the ranks of the IG's membership. Due to the pressure applied by the IG's majority of supporters, contacts with SWAPO seemed to have ceased.

The IG's policy over almost a decade indicates that the cultural homogeneity proclaimed as the pillar of 'German South-West' politics is not as one-dimensional and firm as assumed by their political actions. Tensions and conflicts behind the façade of cultural unity hint at a rather pluralistic spectrum of political opinions represented with the IG. This indicates that the German settler-community is not uniform in its political orientations, although only a very small minority is openly in favour of basic changes.<sup>31</sup>

### RACIST INTEREST GROUPS IN THE FRG

Among the main partners of the IG inside the Federal Republic of Germany is the Deutsch-Sudafrikanische Gesellschaft (DSAG) or German-South African Society. This association, the outgrowth of a century of institutionalised German-South African friendship, was founded in 1965 by two South African groups. The first of these is the ADK (Afrikaans-German Cultural Association). Based in Pretoria, it has a branch in Namibia chaired by Erno Gauerke. The ADK-SWA was founded between the two world wars with the objective of promoting relations between the dominating Afrikaans and the 'subjugated' German-speaking population in Namibia. Recently the ADK-SWA declared that it no longer considers itself an organisation defending the 'white identity', but rather a group aiming to develop Namibia 'to the advantage of all its peoples'. Its main activity is to refute false reports on 'SWA' in the foreign news media. The ADK publishes several publications in German and English and has a circulation of 23 000 copies, which reportedly are sent to 134 countries all over the world. Politically, ADK-SWA is strongly in support of the DTA.

In late 1978, Gauerke made a tour through Europe which was organised by DSAG secretary, Dr Rudolf Gruber. In thirty-five days, Gauerke was able to hold fifty-three public speeches, press contacts and discussions with church leaders, industrial managers and financiers advertising the DTA.<sup>32</sup>

The second parent organisation of the DSAG is the South African Foundation and its German MM Committees. The South African Foundation, founded in 1959, began its activities in 1960 – the year of Sharpeville and the banning of the ANC and PAC – with the objective of recruiting more Western investment in South Africa. With this aim in mind, the South Africa Foundation in 1961 sent Dr Christoph



Count Donhoff, who initiated the foundation of the DSAG in 1965, to the Federal Republic of Germany. In 1972 it sent Dr Rudolf Gruber to Germany to be its representative and, at the same time, secretary of DSAG. Thus, the major political decisions of the DSAG office in Bonn may be considered the expressed political opinion of some of the major multinational corporations of the Federal Republic of Germany in South Africa.

In 1978, the DSAG established a Department of 'SWA-Namibia' headed by the late Arthur Suren (president of the DSAG branch in Hannover and also a member of the local branch of the Free Democratic Party, and an employee of the Ministry of Economic Affairs of Lower Saxony in Hannover). On 10 September 1978, Suren got half a year furlough from his Ministry (the CDU is in the government of Lower Saxony) in order to take up the post of chief editor of the Namibian daily *Allgemeine Zeitung* in Windhoek. Suren had no previous experience in journalism. In July 1980, the press reported that Ms Birgit Breuel (CDU) of the Ministry of Economic Affairs in Hannover had decided to prolong the furlough granted to Suren for 'important special reasons'.<sup>33</sup>

In mid-1978, the DSAG president Count Donhoff called on the public to support the anti-SWAPO forces in Namibia. He wrote: 'Save the country from the guns of the Marxist revolutionaries of Nujoma's SWAPO, which is only out for power. Support the moderate democratic organisations!'<sup>34</sup> A couple of months later Donhoff issued another appeal:

The population, not used to elections and expression of political will, has to be enlightened in the shortest possible time about the advantages of democratic government as against Marxist dictatorship... But this costs money and this immediately... It is the last moment. Already in a few months it could be too late and SWAPO could have destroyed everything which has been built in generations.<sup>35</sup>

In 1978, the DSAG was supported by more than twenty industrial firms in the FRG,<sup>36</sup> and it had cultivated contacts with industrial groups throughout the FRG, including the Wirtschaftsrat der CDU eV (economic council of the Christian Democratic Union, registered society), the Fachvereinigung Metallhalbzeug eV (professional association of manufacturers of semi-finished metal products), the Chamber of Trade and Industry of Hagen, the Bundesverband der Deutschen Industrie-BDI (the National Association of German Industry), the Zentralverband der Elektrotechnischen Industrie eV (national association of electro-

technical industries), Afrika Verein eV of Hamburg, the Institute 'Haus Rissen' of Hamburg, the Institut für Auslandsbeziehungen (Institute for Relations with Foreign Countries) based in Stuttgart, Verband Pfälzische Industrie (association of industry in the region of the Palatinate), Bad Dürkheim, the Rhein-Ruhr Club of Dusseldorf and the Unternehmerverband der Industrie Rhein-Neiderrhein (association of industrial entrepreneurs in the region Rhine-Lower Rhine).

The relationship between West German investors inside South Africa and Namibia is being cultivated through investment consultants and the DSAG press service (which is distributed through the external trade secretaries of all eighty West German chambers of trade and industry) as well as through a new organ of the DSAG, the Deutsch-Sudafrikanische Juristen-Vereinigung eV (German-South African Lawyers Association). Founded at the beginning of 1979, the DSAJV's publication is called *Afrika – Recht und Wirtschaft* (Africa – Law and Economy).

It is no surprise that the DSAG was able, in a rather short time, to drum up a sum of DM 100 000 in support of the DTA (via the IG). This is in addition to DTA election campaign fundings by other groups.

To continue this fund-raising effort, the DSAG founded in December 1978 yet another organisation called Afrika-Fordergesellschaft (Africa Support Society), with Dr Gustav Sonnenhol, formerly West German ambassador to South Africa, as President and Dr Rudolf Gruber of the South Africa Foundation as Secretary-General. The regional Revenue Department in Bonn recognised the new organisation as a general welfare organisation (thus allowing contributions to be deducted from income tax).

The Afrika-Fordergesellschaft (AF) serves as an umbrella organisation for several groups noted for their violent anti-communist stance. Among these allied organisations is the Christen für Partnerschaft statt Gewalt (Christians for Partnership instead of Violence). This group is active mainly in right-wing church circles.

Another group associated with the AF is the Evangelische Notgemeinschaft in Deutschland (Evangelical Emergency Group in Germany), a church group founded to protest against the Social-Democratic 'Ostpolitik' as well as the Programme to Combat Racism of the World Council of Churches. The Evangelical Emergency Group has established allies throughout southern Africa, such as the Christian League of Southern Africa and the Rhodesia Christian Group. As a member organisation of the West German 'Conference of Confessing Christians' (Konferenz Bekennender Gemeinschaften), the Evangelical Emergency Group was able to engineer an alliance of the Christian League of

Southern Africa and the Conference of Confessing Christians in the Federal Public of Germany by founding in 1978 the International Network of Confessing Christians in London. The International Network considers itself an alternative to the World Council of Churches.

The Deutsche SWA/Namibia-Vereinigung (German SWA/Namibia Association) is another affiliate of the Afrika-Forderungsgesellschaft. This association, founded in July 1977, is a subsidiary of the DSAG/South Africa Foundation. Its purpose is to materially support the IG and the Democratic Turnhalle Alliance in Namibia. Towards this end, the association formed a partnership organisation called the Deutsche Namibia-Stiftung (German Namibia Foundation).

The Internationale Gesellschaft für Menschenrechte eV (International Society for Human Rights), or IGfM, also participates in the Afrika-Forderungsgesellschaft. The society supports mainly dissidents and 'Christian martyrs' in Eastern Europe. It became known when it organised a demonstration against Brezhnev's visit to Bonn in May 1978. In 1985, the IGfM took over a special task in the psychological warfare against SWAPO and in preparing positive attitudes towards the interim government. In a broad smear campaign, the IGfM tried to initiate public concern over alleged violations of human rights by SWAPO.<sup>37</sup> Southern Africa seems to have emerged as an essential part of the IGfM's fierce anti-communist mission in defence of the 'free world' as it is portrayed in the present South African and Namibian 'democracies'.

Another AF group is the Gesellschaft für deutsche Kulturbeziehungen im Ausland (Society for German cultural relations in foreign countries) which in 1977 (the year of the 125th anniversary of German immigration to Chile) led tourist groups to Chile in support of the ruling junta there.

Finally, there is the Forderungsgesellschaft Afrika mbH (Support Society Africa, Ltd). This is a right-wing Catholic organisation which politically supports the Christian-Social Union of Bavaria. It cooperates with the Evangelical Emergency Group in its fund-raising drive for the 'victims of terrorism' in southern Africa.

But the network of West German allies in apartheid is still incomplete. In 1976, Peter Dehoust of the neo-fascist Nationaldemokratische Partei Deutschlands (NPD) brought together other right-wingers to form the Hilfskomitee Sudliches Afrika (Assistance Committee Southern Africa) to aid Angola-Germans. The slogan of the committee is 'Save White South Africans!' In September 1977, Helmut Berg, a member of the board of the DSAG and chairman of the Berlin branch of DSAG, joined the members of the Hilfskomitee Sudliches Afrika and the DSAG branch

in the region of Upper Franconia. The new DSAG branch was chaired by Dr Karl Spiess, a member of the Christian Social Union and of the Hilfskomitee Sudliches Afrika, formerly resident for fifteen years in South Africa. In September 1978, the Hilfskomitee invited from Namibia the late AKTUR member, Adolf Brinkmann. Peter Dehoust offered Brinkman a cheque of DM 5000 to support AKTUR's activities in Namibia.

Furthermore, there is another group of West Germans, some of whom are closely associated with parliament, which is involved in supporting an anti-SWAPO front in Namibia. On the initiative of CDU/CSU members in the Federal Parliament, the Deutsche Afrika-Stiftung (German Africa Foundation) was founded in May 1978. The Foundation has various study groups; the one on Namibia was headed by MP Dr H. Hammans, and one on South Africa was headed by DSAG member Dr Wolfgang von Geldern. One of the first public acts of the Foundation was to invite a delegation of the Namibia National Front and SWAPO-D (Andreas Shipanga) to Bonn so that the Namibian parties could talk with the CDU/CSU, the Free Democratic Party (including Foreign Minister Genscher), industrialists and bank managers.

During the 197th session of the Federal Parliament on 18 January 1980, Foundation chairman Dr Stercken (CDU-MP) stated that he had recently met with UNITA leader Jonas Savimbi, regretting that this defender of Western interests in Angola did not receive more support by the Western powers. Stercken, successor to the late Dr Marx as speaker of the CDU/CSU parliamentary faction for foreign affairs, further criticised humanitarian support for SWAPO, and urged supporters to generously respond to Rev. Ndjoba's appeal for contributions to the ELOMO Trust Fund to assist 'victims of terrorism'.

As chairman of the German Africa Foundation, Stercken must have been intimately involved in the decision to acquire the monthly magazine *Afrika Post* (the former organ of the DSAG) in March 1980. The CDU/CSU Foundation, in its takeover editorial, wrote in April 1980:

The *Afrika Post* and its predecessor, the *German Afrika Post*, have a long tradition. It was founded by Adolph Woermann, the trade and shipowner who a century ago created the conditions for the then Germany colony German South-West Africa, which is now entering world political level as the independent state of Namibia... Woermann's magazine was renewed in 1929 as the *German Afrika Post*. Since 1954 it appears again uninterrupted. It was first edited

by E. Beckmann and H. G. Thormeyer in Johannesburg, from 1971 onwards by Prof. Dr Hans Lehmann in Goslar, and since 1976 by Dr Christoph Count Donhoff and Dr Olaf Oelsen in Bonn. At the beginning of 1980, the *Afrika Post* was taken over by the German Africa Foundation, which will now be responsible for it through its well-established editors and cooperators. The fact that we confess ourselves consciously to side with the German interests in Africa results out of our gratitude and respect towards those innumerable Germans who for centuries helped Africans to build up their country, state and society.<sup>38</sup>

## SUMMARY

The Federal Republic of Germany has maintained intimate political and economic relations with Namibia ever since the days of colonial-settler rule. Perhaps more than any other Western state, the FRG has established direct support for the internal collaborator regime imposed by South Africa on Namibia during the past decade. This network includes not only a number of private associations and foundations inside the Federal Republic, but includes dozens of FRG-based corporations. More importantly, the conservative coalition government of the FRG (since coming into power in October 1982) has supported actively the DTA in Namibia and, most recently, the Transitional Government of National Unity. The FRG has increasingly assumed the leadership role for resolving the Namibia dispute. Peter M. Schmidhuber, Bavaria's State Minister for Federal Affairs, declared in March 1986:

So far, no less than 130 delegates of the CDU/CSU demanded of the Federal Government to support the process of reconciliation in Namibia politically and economically. If, however, one declares directly or indirectly the (MPC) interim government in Namibia as null and void, one does not support this process... Therefore, I would welcome a German initiative – so far mission – to bring all Namibian parties as equals to the negotiating table, without the assistance of South Africa and the United Nations. Such an initiative would be a constructive contribution... If SWAPO refuses to participate in this reconciliation process, then I do no longer see any reason to pay respect to its interests.<sup>39</sup>

Schmidhuber received the outspoken support of Dr Werner Marx for this proposal. Explained Marx:

We in the West have really no reason to treat SWAPO with special circumspection... If it lives in Namibia according to the slogan 'everything for us, nothing for the others', one has to attempt a solution, that does not allow it to grab exclusive power... It is important that a peaceful consensus solution is being initiated... I agree with many colleagues in the coalition, that a stubborn insistence on the 435 formula of the UN Security Council does not constitute a constructive contribution for the Namibian independence...<sup>40</sup>

West German support for the effort inside Namibia to create an African collaborator government extends beyond the standard economic and rhetorical support provided by the United States, the United Kingdom, and other Western states. West Germany directly controls much of the banking structures of Namibia, as well as an influential segment of the territory's mass media.<sup>41</sup> Such activities are legitimised by a visible German settler community in Namibia which has existed for many decades. The relationship between this settler community and their cousins back in Europe remains close, and serves as the basis for a Federal Republic foreign policy that seeks to protect German interests in Namibia in general, and promote an anti-SWAPO government in particular. The uniqueness of this relationship should not be overlooked. While other Western states may have economic and strategic interests in Namibia, those interests do not represent a significant dynamic affecting the political fabric of those states. But for the Federal Republic of Germany, Namibia does symbolise an extremely important commitment of the German people to defend and support each other, no matter where they may live. Having failed to defend the settler community in Namibia in previous conflicts, the Federal Republic of Germany faces a final opportunity to redress its past weaknesses. That this commitment serves only to create a new Holocaust is but only one of the disasters represented in current relations between the Federal Republic of Germany and Namibia.

## NOTES

1. For a discussion of the continuities of ideology towards Namibia, see Henning Mekber, Mary Melber and Werner Hillebrecht, *In Treue Fest, Sudwest!* (Bonn: ISSA, 1984). On the subject of West German links with Namibia, a few studies have been published since the social-liberal

coalition government has been in power; see inter alia Heinrich-Georg Hubrich and Henning Melber, *Namibia – Geschichte und Gegenwart* (Bonn: ISSA, 1977), pp. 213–29; Michael Vesper, *Über die Beziehungen zwischen der Bundesrepublik Deutschland und Namibia* (Bonn: ISSA, 1980); Gottfried Wellmer, 'Background Paper on Relations between the Federal Republic of Germany and Namibia as occupied by the Armed Forces of South Africa', paper presented to the International Seminar on the Role of Transnational Corporation in Namibia, Washington, DC, 29 November–2 December 1982.

2. *Afrika Post* 25 (1978), 6, p. 163; author's translation.
3. *Afrika Post* 25 (1978), 1, p. 7; author's translation.
4. Speech by Dr Werner Marx in the German Parliament on 27 October 1977.
5. Namibia Information Office in Bonn, *Berichte aus Namibia*, no. 10, June 1982, 0. 4; author's translation.
6. Our translation from a letter signed by Foreign Minister Hans-Dietrich Genscher to the 'Fesprachskreis Namibia', Bonn, 14 October 1982 (320-321.00 NAM).
7. Letter by MPs Muller-Emmert (SPD), Rumpf (FDP) and Hornhues (CDU) on behalf of the 'Gesprachskreis Namibia' to Foreign Minister Genscher, dated 14 October 1982; our translation.
8. Of course, this does not mean that Southern Africa has as much importance as the 'Ostpolitik', but it is interesting to note that the two issues in this controversy were mentioned together at the same time.
9. See *Frankfurter Rundschau*, 20 June 1985 and 11 July 1985.
10. The Namibia Information Office in Bonn issues a regular bi-monthly periodical entitled *Berichte aus Namibia* which serves mainly the purpose to document the increasing preparedness of West German politicians to support the internal parties.
11. In his opinion, Ertl could rely upon at least two further colleagues of the small FDP parliamentary faction, namely Olaf Feldmann and Wolfgang Rumpf.
12. For information on this passage see Peter J. Friedman, 'Neuinszenierung eines alten Stucks', in *Informationsdienst Sudliches Afrika*, no. 5 (July/August 1985).
13. See 'Entwicklungspolitik. Jahresbericht 1983', edited by Bundesministerium für Wirtschaftliche Zusammenarbeit (Bonn: August 1984), p. 68.
14. The 1985 budget of the Ministry of Economic Cooperation funded thirteen projects for occupied Namibia costing DM 10 280 000; the 1986 budget provided for DM 5.5 million for additional projects in Namibia. For a more detailed analysis of these development efforts, see Henning Melber, 'New Tendencies of an Old System: Neo-Colonial Adjustments within Namibia's System of Formal Education', presented to conference entitled 'Namibia 1884 to 1984: Hundred Years of Foreign Occupation, Hundred Years of Struggle', City University, London, 10–13 September 1984. See also the updated and enlarged German version: Henning Melber, 'Bildung und Herrschaft im Wandel', in Justin Ellis, *Bildung, Repression und Befreiung: Namibia* edited by the World University Service/German Committee (Darmstadt: Verlag für wissenschaftliche Publikationen, 1985), pp. 108–34. On recent trends in the educational

- sector within Namibia see Henning Melber, 'Neocolonial Efforts to Delay Genuine Independence to Namibia: The Case of Educational Reforms', paper presented to Second Brussels International Conference on Namibia, 5-7 May 1986 (for a summarised version see *The Namibian*, 9 May 1986).
15. In addition to a considerable expenditure for scholarships offered to Namibian students (mainly in exile) to receive training as qualified artisans, and subsidies for German schools in Namibia, the Ministry for Economic Cooperation also contributed financially to a variety of West German activities in the field of 'development aid' amounting to some DM 25.5 million. These figures were released by the government upon inquiries by the Green Party on 15 April 1986 (Drucksache no. 10/5312, Bonn).
  16. See Henning Melber, 'Deutsche Privatschulen in Namibia und deren Bedeutung für gesellschaftlichen Wandel', in *Die Deutsche Schule*, vol. 73 (1981), nos. 7/8, pp. 444-53. The government subsidies to the German Private School at Windhoek in 1984 alone amounted to DM 5.096 million. Between 1978 and 1984 these subsidies totalled DM 27.758 million according to the official figures released in April 1986. The same report indicated that altogether twenty-three West German teachers served at this school between 1979 and 1986.
  17. The Green Party has posed a number of questions to parliament concerning West German relations with the occupation forces in Namibia. The Green Party also took an initiative to invite a high-ranking SWAPO delegation headed by SWAPO President Sam Nujoma and representatives of the United Nations Council for Namibia to a Hearing at the House of Parliament in Bonn from 16-17 September 1985, jointly organised with the Information Centre on Southern Africa (ISSA). Official representatives of the FRG government largely ignored the event and boycotted the dialogue. The papers presented to the Hearing as well as the debates in the various working groups on German-Namibian relations are documented in a conference-reader published in English and German by ISSA, Bonn, 1986.
  18. See *Namibia Nachrichten*, 28 June 1985. In March 1986 it was announced that the European Commission had granted the Deutsch-Namibische Entwicklungsgesellschaft (German Namibian Development Society) financing for bush clinics in the Kavango area of northern Namibia. The bush clinics (first aid posts) will named Oldenburg, Mainz and Bonn.
  19. This scandal is commented upon in more detail in Manfred O. Hinz, 'Für "Demokratie und Recht"' in *Informationsdienst Südliches Afrika*, no. 5 (July/August 1985).
  20. See the preliminary list included in the conference paper presented by Gottfried Wellmer to the International Seminar on the Role of Transnational Corporations in Namibia (see footnote 1), pp. 5-6, in which fifty-six companies are identified.
  21. This figure was revealed on 15 April 1986 by the FRG government in document no. 10/5312 in reply to an inquiry by the parliamentary faction of the Green Party (para. 2 e).
  22. Eva Militz, *Bank Loans to South Africa from Mid-1982 to December 1984* (New York: United Nations Centre Against Apartheid, Notes and Documents 12/85, October 1985), table on p. 13.



23. Details mentioned by SPD-MP Verheugen in a parliamentary debate; Deutscher Bundestag, 10. Wahlperiode, 216. Sitzung, 15 May 1986, Stenographischer Bericht, p. 16697.
24. These banks include Banque Belgo-Africaine Burundi, Union Zaïroise de Banques, Banque Commerciale de Burundi, Banque Commerciale de Rwanda, Banque Internationale pour le Commerce et l'Industrie du Cameroun, Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire, Banque Internationale pour le Commerce et l'Industrie du Bénin, Banque Internationale pour le Commerce et l'Industrie du Gabon, Banque Internationale pour le Commerce et l'Industrie mer Fougé (Djibouti), Banque Internationale pour le Commerce et l'Industrie du Sénégal, Banque Internationale pour le Commerce et l'Industrie du Tchad, Banque Malgache d'Escompte et de Crédit (Madagascar), Commercial Bank of Africa (Kenya), and Union Bank for Africa Ltd (Nigeria).
25. See *Allgemeine Zeitung*, 23 January 1981 and 2 February 1981; *Aachener Volkszeitung*, 29 December 1981.
26. Deutscher Bundestag, 10. Wahlperiode, Drucksache 10/5297 of 9 April 1986, para. 2.1., p. 4.
27. For further details of the massive support for the racist South African regime through the intensive economic links of West German capital see especially Wolff Geisler/Gottfried Wellmer, *DM-Investitionen in Südafrika* (Bonn: ISSA, 1983).
28. *1980 Yearbook of the German Speaking Community in Southern Africa* (Johannesburg: Rolf Schmidt Pty Ltd, 1979).
29. Dieter Lauenstein was born on 8 April 1914 in the FRG. He is said to have arrived in Namibia in 1969. Formerly in control of major parts of the *Westdeutsche Allgemeine Zeitung*, an influential FRG newspaper, Lauenstein claimed to have used his money from this enterprise to buy the two daily papers in Windhoek.
30. *Allgemeine Zeitung*, 27 August 1979.
31. For an analysis of the German group(s) in Namibia see Henning Melber, 'Exkurs: Zur deutschstammigen Siedelerschaft Namibias', in Peter Ripken (ed.), *Südliches Afrika. Geschichte, Befreiungskampf und politische Zukunft* (Berlin/West: Wagenbach, 1978), pp. 135–38.
32. *ADK Informations* of October 1978, p. 8, and June 1979, p. 8.
33. *Frankfurter Rundschau*, 10 July 1980.
34. *Afrika Post*, August 1978, p. 18; author's translation.
35. *Afrika Post*, October 1978, p. 289; author's translation.
36. *Annual Report of the DSAG 1978*, p. 22.
37. For more details on this ugly and desperate attempt to question SWAPO's credibility with the West German public by deliberately propagating distorted and incorrect accusations, see inter alia *Informationsdienst Südliches Afrika*, no. 7 (November 1985), pp. 19–20; and Manfred O. Hinz, 'The Anti-SWAPO Campaign – A Campaign in Support of the "Internal Solution"', paper presented to the Second Brussels International Conference on Namibia, 5–7 May 1986.
38. *Afrika Post*, April 1980, p. 98; author's translation.
39. Press service, Namibia Information Office, 24 March 1986.

40. Ibid., 22 April 1986.
41. It fits into this jigsaw-puzzle that the newly-founded German weekly *Namibia Nachrichten*, published since 1985, is said to be financially dependent upon the West German Foreign Ministry and allegedly created to serve as a liberal alternative to the increasingly reactionary daily *Allgemeine Zeitung*. Indeed, it is interesting to follow the different lines represented by these two papers within the present political debate.

# 4 Japan's Illegal Uranium Contracts with Namibia

Yoko Kitazawa

The role played by industrial powers such as Great Britain, the United States, West Germany and France in maintaining apartheid in South Africa and Namibia has received much attention in the last several years. Transnational corporations (through their capital investments, bank loans, trade and oil shipments) are the main economic forces responsible for keeping the economy of the racist regime running. Little is known, however, of Japan's role in supporting apartheid in southern Africa.

Japan is the only non-white nation in the industrialised world, and it is often assumed by Westerners that non-whites would not knowingly support any regime which oppresses and discriminates against their own people. On an official level, Japan has established a reputation as a critic of South Africa. At United Nations sessions and in the meetings of its various organisations, the Japanese government has voted in favour of every resolution condemning apartheid in South Africa and for the national independence of Namibia.

And the government has taken a number of measures to support these resolutions. In 1968 it took action to prohibit Japanese companies from any direct capital investment in South Africa. A Japanese delegate in the United Nations in October 1979 declared that Japan has no capital invested either in Namibia or in South Africa, or in any part of southern Africa for that matter. In June 1974 the government took further action to prohibit sports, cultural or educational exchanges with South Africa. The Japanese foreign minister pledged to the visiting mission of the UN Special Committee on Apartheid in September 1974 that Japan had not taken any steps to promote trade with South Africa.

These are the stated positions of the Japanese government. However, almost from the day it first agreed to support the United Nations resolutions condemning South Africa's apartheid and its illegal occupation of Namibia, Japan has violated the spirit of these resolutions and has made a mockery of its own official policies by its business practices.

## JAPAN'S BUSINESS ACTIVITIES IN SOUTH AFRICA

Japan is a latecomer to South Africa compared to other Western industrialised nations. Its business relations began right after Sharpeville, when South Africa found itself isolated from most of the world community. Most of this trade centred around Japan importing raw materials and exporting finished industrial goods. In return for this economic cooperation, the government in Pretoria decided to give Japanese business people an 'honorary white' status inside South Africa.

After 1970, faced with dual threats from the advance of the national liberation movements in its 'buffer states' and the growing militancy of the Africans within the country, South Africa initiated a rapid industrial development programme on a massive scale in order to strengthen its economic position and to maintain its apartheid policies. The Japanese business advance into South Africa thereupon took a new form. Japanese transnational corporations made a series of massive long-term contracts to purchase mineral resources from South Africa and at the same time agreed to supply plants and heavy machinery. Furthermore, the Japanese government provided generous export credits and loans in support of South Africa industrialisation.

In the early 1970s, there was massive growth in the manufacturing sector of the South African economy. In this economic area, South Africa found a helpful partner and collaborator in Japanese business which established assembling and manufacturing plants for Japanese-brand goods such as automobiles, electronics and electric appliances.

Assembly plants of these Japanese products in South Africa have obtained multiple benefits compared to the wholly-owned US or British subsidiaries. They can get greatly reduced customs duties for importing parts for assemblies and also expand their volume of sales. Furthermore, since these plants are legally owned by South African companies and run by white management boards, parent companies have found no trouble with local labour disputes. And the Japanese government regards this form of business as 'export of goods' since this does not involve any capital outflow from Japan. This arrangement exempts Japanese businesses from the regulations prohibiting direct capital investment to South Africa. In the absence of any visible, direct presence, Japanese companies in South Africa are able to pay wages to the African workers which are far less than what the more guilt-conscious American or British competitors pay.

Today, Japan buys natural resources such as iron ore, manganese, chrome, coal, uranium, sugar and maize from South Africa and exports

industrialised goods such as machinery, automobiles and textiles. Japan is now South Africa's fourth largest trading partner, with trade between the two countries running over \$3.5 billion annually, more than triple the trade volume for 1972. This represents an alarming trend when we compare Japan's balance of trade with the rest of Africa which, since 1973, has been worsening at a steady rate.

These facts are contrary to Japan's official position on racial discrimination and its repeated pledges of solidarity with the nations of the Organisation of African Unity.

## NAMIBIAN URANIUM DEALS

Despite the Decree No. 1 of the United Nations Council for Namibia banning all commercial transactions with Namibia, Japan openly trades with the South African administration occupying Namibia. Japan imports Namibian natural resources such as copper ore, furs, diamonds and fish, although volume of trade in these goods is small and negligible in the context of Japan's huge volume of foreign trade. Both the Ministry of Foreign Affairs and the Custom Bureau of the Ministry of Finance have been publishing statistics of Japan–Namibia trade in their annual bulletins. The Japanese Government printed its version of Decree No. 1 in the *Official Gazette of the Ministry* on 31 May 1975 as well as in the *JETRO Gazette of International Trade*. But since that time no further steps have been taken by the Japanese Government, either in the form of enacting a domestic act, or of employing so-called administrative measures to implement the Decree as a policy of the Japanese Government. Again, the government's rhetoric in the international community and reality at home are quite unrelated; business has continued as usual.

In 1970, Japan's electric power companies (all of them privately owned but with 51 per cent equity held by local governments) began pushing nuclear energy as the only viable alternative power source to oil claiming that nuclear energy is the only stable and self-reliant energy source other than hydro energy. But since Japan has no reserve of uranium ore in its territory, the Government organised a number of overseas missions to search out sources of low-priced uranium. As of December 1973, they had completed nearly 80 per cent of the necessary 92 000 tons of uranium purchase contracts for a ten-year period starting in 1975. Of this, South Africa (including Namibia) provided 38 000 tons (43 per cent of total needs), Canada offered 33 600 tons (43 per cent),

France supplied 8800 tons (8 per cent), and Australia provided 3200 tons (3 per cent).<sup>1</sup>

Comprehensive figures for Japan's 1975–85 uranium ore purchase contracts are found in an article written by an official of the Resource & Energy Agency of the Ministry of International Trade and Industry of Japan. He stated that in 1970 Japan's total needs for uranium ore were 300 tons a year. By 1985 it would be increased to 14 300 tons a year, and by the same year total needs for the period 1975–85 would amount to 106 200 tons, of which Japan would have to purchase 90 200 tons from overseas (see Table 4.1).

*Table 4.1 Japan's uranium imports 1975–85*

Country	Mining company	Capital group	Amount (tons)	Per cent
South Africa	Palabora Mine	RTZ	17 500	43
	Nufcor	Anglo-American	12 500	
Namibia	Rossing Mine	RTZ	8 200	42
Canada	Denison Mine	RTZ	28 000	
	Rio Algom		5 600	
France (Niger)	CEA Uranex		8 800	8
Australia	Queensland Mine	RTZ	3 200	3
TOTAL			83 800 (80 per cent of total need)	100

*Source:*

Shinya Aoki, 'To Secure the Uranium Resource', *Kozan* (December 1971).

In December 1970 the Kansai Electric Power Company based in Osaka, the second largest utility in Japan, signed through its business agent, the Mitsubishi Corporation, an advance purchase contract for 8200 tons of uranium with Rossing Uranium Ltd of Namibia. Under

the provisions of this contract, Japan agreed to import 500 tons of Rossing uranium in 1977 and 1978, 600 tons in 1979 and 1980, and 1000 tons annually between 1981 and 1986.<sup>2</sup> This particular contract was signed long before RTZ began to develop the Rossing mine. Japan's 1970 long-term contract with Rossing was, in other words, a guarantee for the latter to start its development of the mine in Namibia.

The issue of Japan's illegal imports of uranium from Namibia has drawn domestic and international attention. On 9 December 1974, the Japanese Diet put the question of Japanese uranium purchases up for debate in the Budget Committee of the House of Representatives during its 74th session. In the course of the discussion, the head of the Natural Resource and Energy Agency of the Ministry of International Trade and Industry confirmed that an important contract for 8200 tons of Namibian uranium had in fact been signed by a Japanese company. Both the Minister of Foreign Affairs and the Prime Minister pledged that the issue would be handled thereafter in accordance with UN resolutions on Namibia.

Between 12 and 14 May 1975, a delegation from the UN Council for Namibia visited Japan. After many talks with government representatives and members of the business community, the delegation demanded that Japan cancel its uranium contracts with Namibian companies in the light of South Africa's continuing illegal presence in the territory. The delegation also warned the Japanese that they would be asked for compensation when Namibia becomes independent, should they continue to purchase Namibian resources through South Africa.

In response to the UN warning, Mr Fukihiko Kono, the then chairman of the Africa Committee of the Japan Economic Federation and former president of Mitsubishi Heavy Industries (the largest arms manufacturer in Japan), asserted that such imports were essential to Japan, since it had no uranium resources of its own. Neither the government nor the business community indicated any intention of complying with the recommendation of the UN delegation.<sup>3</sup>

At the grass-roots level, however, the response to these official statements was immediate, and a movement opposing Kansai Electric's uranium imports quickly formed. In Osaka, where the company has its headquarters, a group was organised primarily by farmers and students and was assisted by nuclear scientists, lawyers, Christian activists and workers. This group declared itself opposed to the construction of atomic reactors planned by the Kansai Electric Power Company. In Tokyo meetings and demonstrations denouncing the Namibian contract were organised by the Anti-Apartheid Movement,

which joined with organisations in Osaka in sending open letters and petitions demanding immediate cancellation of the agreement. No reply was ever received.

Despite mounting pressures from domestic and international opinion, the company showed no sign of reconsidering its position. The reasons for this intransigence may be attributed to the following factors: Firstly, annulment of the Rossing contract would have affected 8 per cent of Japan's total uranium imports for the ten-year period 1976–85. In June 1973, the Nuclear Energy Commission published a 'long-term nuclear development and utilisation programme'. According to the programme, by 1985 Japan's nuclear electric power goal was to be 60 million kwh, nearly 25 per cent of Japan's total supply, compared to 2 per cent in 1972. In 1983, nuclear power contributed 19 per cent of all electric power requirements in Japan, far short of the intended goal. The high cost of construction of nuclear power plants and strong opposition by local people contributed to the failure of Japan to meet its nuclear power objectives.

Secondly, as Kansai Electric is solely responsible for the contract, cancellation would spell the end of the company's nuclear power development plan. Finally, such a move would undoubtedly affect uranium contracts signed by other power companies, since Japan is scheduled to import close to 40 per cent of its uranium from RTZ subsidiaries in South Africa, Namibia, Canada and Australia.

On 28 November 1975, the *Nihon Kogyo Shimbun*, an industrial newspaper in Tokyo, carried a report from Namibia indicating that uranium shipments to Japan would start sometime in 1977. In early 1977, Namibian uranium had already arrived in Japan. In March 1977, the *Asahi Shimbun* confirmed that Mitsubishi had brought the uranium to Japan via a RTZ subsidiary in Switzerland. The article is worth quoting from at length:

The history of Japanese uranium deals began in 1970 when the Kansai Electric Power Company concluded a contract for the purchase of 8200 tons of uranium oxide, i.e. yellowcake, from Rossing over a ten-year period beginning in 1976. Rossing is a South African corporation which mines and refines Namibian uranium. It operates as a joint-venture between the British multinational RTZ and South African firms. RTZ's main sales agency for uranium in Japan is the Mitsubishi Corporation, with Narubeni playing a lesser role. Mr Ito, head of the Nuclear Energy Division of Mitsubishi, stated that 'the contract (with Rossing) is to remain dormant until the situation in



Namibia is resolved with justice'. However, sometime in 1971 or thereabouts, RTZ set up a Swiss corporation to act as a sales subsidiary through which the Japanese power companies are (now) purchasing uranium. They do not purchase uranium oxide directly but rather  $UF_6$ , a compound of uranium and fluorine which has already been processed into a gas. At this stage, the uranium oxide produced in various countries is completely mixed together so that all traces of the illegal Namibian ore are eliminated. The likelihood that Namibian uranium is included in the  $UF_6$  sold by the Swiss corporation in question is very high. Yoko Kitazawa refers to Switzerland as taking advantage of its not being a member of the United Nations to allow uranium transactions through the Swiss company.<sup>4</sup>

The Swiss company in question is RTZ Mineral Services Ltd, which has its headquarters in Zug, a village about fifteen kilometres from Zurich. The address was discovered to consist merely of one room which was rented by other firms as well. There were no RTZ employees, despite the company name-plate which hung outside. The company's telephone number in Zurich turned out to be a lawyer's office who threatened legal action 'if you investigate RTZ'. It is clear that RTZ was not simply a paper company, but a ghost company. This means that transactions for Namibian uranium must be contracted with Mitsubishi's head office in London or directly with Rossing in Namibia.

Uranium from Namibia, then, can be easily mixed with uranium from Canada, Australia, South Africa or elsewhere. Since Japan imports uranium from these countries as well, it is virtually impossible to track down Namibian ore entering Japan. Furthermore, ores are sent directly to the United States for enrichment, as Japan is entirely dependent on the US in this area. The uranium is then shipped to Japan in the form of fuel rods for use in Japan's nuclear reactors. The Rossing-RTZ-Mitsubishi connection exemplifies how transnational corporations ignore the sufferings of the victims of colonialism and racial discrimination for their own profit-seeking.

In 1980, William Johnston, president of the Episcopal Churchpeople for South Africa based in New York, sent Cyrus Vance, the then US Secretary of State, a letter asking his confirmation or denial of a news story in the London *Sunday Times* of 30 December 1979, which reported that 'Japan's uranium oxide is shipped from Namibia for processing to the US where it is mixed with uranium from other sources'. Responding to Johnston, Paul J. Hare, the Director of the Office of

Southern African Affairs of the State Department, confessed that 'it is quite possible very small amounts have been imported from Namibia for re-export to Japan'.

According to an application letter to the US Nuclear Regulatory Commission by Mitsubishi International Corporation (obtained by William Johnston under the Freedom of Information Act), Mitsubishi planned to import 1300 tons of uranium concentrate (yellowcake) from the Republic of South Africa for Kansai Electric Power Company in Osaka, to be converted to  $UF_6$  by Allied Chemical Corporation in Metropolis, Illinois during the period January 1982 to December 1984. Mitsubishi's letter also stated that the yellowcake from South Africa was to be unloaded at Baltimore, where it would be transported by rail to Princeton, Kentucky and then to Metropolis.

But on 10 May 1983, the arrival of the South African ship *S. A. Contantia* at the harbour in Baltimore was met by protesters, who charged that the ship was transporting Namibian uranium.<sup>5</sup>

In 1982, MIT professor Thomas Neff prepared a series of technical reports for the US Department of Energy claiming that

Japan is the biggest importer of Rossing uranium – although its supplies are handled through Switzerland. Japanese power utilities (including Kansai, Tokyo and Chubu) signed contracts in the early 1970s for 30 000 tons of Namibian uranium to be delivered between 1977 and 1990. The amount represents just over half of Rossing's anticipated output, and the deal with Japan therefore played a crucial role in making the development of the mine financially viable. In 1974 the Japanese prime minister announced the cancellation of the Namibian contracts for political reasons. However, MIT reports that after the Japanese cancellation, new contracts were signed between Rossing and RTZ for the same amount as had previously been contracted by Rossing to the Japanese. RTZ then contracted to supply Japan for the original quantity.<sup>6</sup>

Since 1977, when the Rossing mine started its production and its shipment of yellowcake to Japan, the amounts of Japan's import of Namibian uranium have exceeded those which were originally contracted. (See Table 4.2).

In August 1983, 2000 people representing anti-nuclear power movements from all over Japan gathered in Kyoto to call for a stop to the importation of Namibian uranium. But as public protests grow in Japan against trade with Namibia, Japanese trade with Namibia continues to grow as well.

*Table 4.2 Japan's uranium import programme 1969-90*

Year	Supplied by NUFCOR (South Africa)	Supplied by RTZ Mineral (Switzerland)	Supplied by others*	Yearly total	Total
1969	—	—	2 059	2 059	2 783
1970	—	—	1 560	1 560	4 348
1971	151	—	1 957	1 560	6 452
1972	—	—	1 860	2 108	6 452
1973	302	—	2 168	2 471	10 883
1974	409	—	5 209	5 618	16 402
1975	1 078	—	3 049	4 127	20 529
1976	1 712	391	4 148	6 251	26 781
1977	1 301	1 569	4 836	7 706	34 487
1978	1 823	1 735	5 937	9 496	43 984
1979	881	2 007	5 420	8 308	52 292
1980	1 266	1 986	5 242	8 494	60 786
1981	1 216	1 778	5 400	8 394	69 809
1982	1 718	2 175	6 764	10 657	79 836
1983	1 783	2 462	5 674	9 919	89 757
1984	1 639	2 604	5 397	9 640	99 397
1985	1 096	3 057	5 825	9 978	109 195
1986	816	3 157	5 141	9 114	118 310
1987	796	2 978	4 840	8 614	126 924
1988	739	2 646	4 538	7 923	134 847
1981	740	2 540	4 909	8 189	143 036
1990	640	2 130	5 862	8 632	151 669
1991	612	1 500	5 051	7 163	158 832
1992	397	1 500	4 937	6 834	165 666
1993	—	1 500	3 476	5 246	170 912
1994	—	1 500	3 093	4 593	175 505
1995	—	1 500	3 278	4 778	180 283
1996	—	1 125	2 933	4 058	184 341
	21 118	41 842	121 381	183 617	

\* Supplied from countries other than South Africa and Namibia

Source: Nuclear Energy Commission, 31 March, 1983

1. *Johannesburg Star*, 25 June 1974.
2. Recorded in the minutes of the Foreign Affairs Committee of the Japanese House of Representatives on 6 June 1975.
3. See *Asahi Shimbun*, 22 May 1975.
4. The *Asahi Shimbun*, 20 March 1977.
5. *WISE News Communiqué*, 18 May 1983.
6. See *Africa Confidential*, 19 January 1983.

# 5 The Netherlands and Namibia: the Political Campaign to End Dutch Involvement in the Namibian Uranium Trade

David de Beer

Dutch involvement in the uranium trade from Namibia is of an indirect nature; the Netherlands itself purchases no uranium from Namibia or South Africa. The Dutch involvement is, however, crucial since the Netherlands is an equal partner with the Federal Republic of Germany (FRG) and the United Kingdom (UK) in the Urenco uranium enrichment plants in Capenhurst (UK) and Almelo (the Netherlands) where much of the Namibian uranium is enriched. The enrichment of some Namibian uranium does take place in the Netherlands itself in a factory which is 33 per cent controlled by Dutch interests.

The Treaty of Almelo, signed on 4 March 1970 by the governments of the Netherlands, the UK and the FRG, is the basis of the 'collaboration in the development and exploitation of the gas centrifuge process for producing enriched uranium'.<sup>1</sup> Under the provisions of the Treaty, two uranium enrichment plants were built, one in Almelo (the Netherlands) and one in Capenhurst (UK).

Article III (b) of the Treaty, dealing with the *capacity* of the enrichment plants, reads:

The joint industrial enterprises shall use their best endeavours to meet all orders for uranium enrichment services placed with them by customers in the territory of any of the contracting parties, whether or not the fulfillment of such orders would involve the installation of new enrichment capacity. The joint industrial enterprises shall, however be bound to meet such orders if the contracting parties concerned... agree to provide the extra finance involved.

The intention, therefore, was that all uranium for non-nuclear weapons used in the three partner countries would be enriched at the Almelo and Capenhurst plants of Urenco.

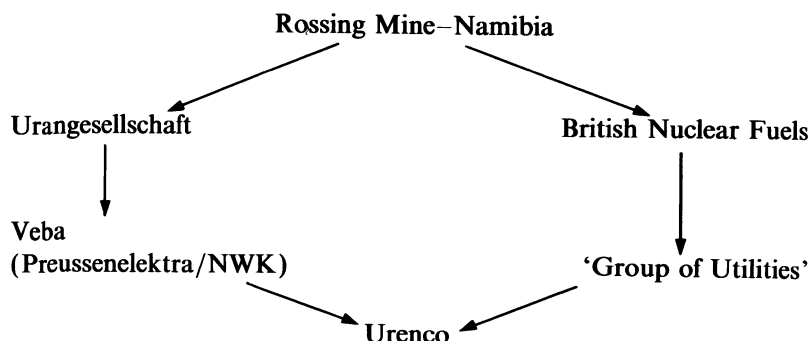
Initially, the Dutch government assumed a 55 per cent interest in the Dutch arm of Urenco; Dutch industrial concerns (including 10 per cent each for Shell and Philips) took the remaining 45 per cent. It soon became clear that only the State could provide Urenco with the massive financing that it required, and so the Dutch government increased its stake to over 95 per cent. This effectively made the Dutch arm of Urenco a government enterprise, making the government responsible for the decisions made by the Urenco management.

The Netherlands does not obtain its uranium directly from South Africa or Namibia. The Urenco enrichment factories at Almelo enrich the uranium that is offered to them by various clients – chiefly foreign electricity companies. But the Dutch government is given no authority by the Treaty of Almelo which governs the operations of the Urenco plants to check the origin of the uranium which is to be enriched.<sup>2</sup>

The Dutch government claimed not to have purchased Namibian uranium, but Urenco had signed contracts to enrich uranium for electricity companies in the FRG and the UK. Three Urenco clients admitted to purchasing uranium from Namibia: West Germany's largest industrial firm, VEBA; British Nuclear Fuels, and a group of British electricity companies grouped together as a 'Group of Utilities.' VEBA, confirming its contract with Urenco, purchased for two subsidiary companies, Preussenelektra and Nord Westdeutsche Kraftwerke, via Urangesellschaft. British Nuclear Fuels received 7600 tons of uranium oxide through 1984, and delivered this material to the 'Group of Utilities' who supplied Urenco. Figure 5.1 illustrates these contractual relationships.

Clearly, Almelo was contractually linked to the enrichment of Namibian uranium, raising an interesting point for the Dutch government. Whereas the British and the FRG do not recognise the legal authority of the UN Council for Namibia to govern Namibia, the Dutch government does. It also recognises both the 1971 Advisory Opinion of the International Court of Justice confirming South Africa's rule in Namibia to be illegal, and the legal basis of the 1974 Decree No. 1 on Natural Resources by the UN Council for Namibia. The Dutch government, therefore, had in 1978 already recognised Urenco's enrichment of Namibian uranium as illegal.

Although the contractual links are clear, the route physically followed by the uranium is somewhat difficult to ascertain. Uranium oxide



*Figure 5.1* Urenco's contractual relationships

( $U_3O_8$ ) is extracted from the uranium ore at the Rossing mine in Namibia. The uranium oxide is turned into uranium hexafluoride ( $UF_6$ ) at a 'hex'-plant in France. This hexafluoride is then enriched by Urenco.

Research by Ruurd Huisman has showed that all countries belonging to the European Atomic Energy Agency (Euratom) have to have their contracts for nuclear fuel purchases approved by Euratom. All three contracting parties to the Treaty of Almelo are members of Euratom, and therefore the Netherlands's membership of Euratom not only means that it could know of uranium purchases in Namibia by the UK and the FRG, but also that the Netherlands was party to the approval by Euratom of these contracts.

In November 1978 the results of Ruurd Huisman's research were presented to Dutch Members of Parliament and journalists. As a result of this press conference, Members of Parliament from four political parties (including the governing Christian Democrats and the major opposition Labour party) joined the Democrats '66, an anti-nuclear power party, in asking a series of parliamentary questions on the Dutch involvement in the Namibian uranium trade.

In December 1978, the Government concluded that 'the UN Council for Namibia was empowered to promulgate measures by which the exploitation of the natural resources of Namibia was made subject to the granting of permission by the UN Council for Namibia'. However, the Ministers of Foreign Affairs and Economic Affairs argued that 'The Government has never recognised that the Council has the power to create a direct duty for the Netherlands which it would then have to carry out. Decree No. 1 can only be seen as an act governing Namibia'.

But as questions persisted within the Parliament over the appropriateness of such trade links, the Ministers finally admitted that the Government was of the opinion that contracts with government

agencies within the EEC covering uranium from Namibia are probably not in agreement with resolutions of the United Nations Security Council. On these grounds the government planned to consult with the European Commission concerning those contracts which could be contrary to these resolutions.

The Dutch government's initial reactions did not promise much. In short, the Government held that the UN Council for Namibia had the responsibility of implementing Decree No. 1, but it refused to consider proposing an amendment to the Treaty of Almelo to exclude Namibian uranium, claiming that *physically* it was not able to trace which uranium came from Namibia and which came from elsewhere. After all, the uranium left the mine as uranium oxide ( $U_3O_8$ ) – yellowcake – (which was chemically identifiable as coming from Namibia), but by the time it was imported into the Netherlands for enrichment it had already been treated and turned into uranium hexafluoride ( $UF_6$ ) – a gas – that was a chemical form in which the country of origin is not able to be determined. Furthermore, the mixing of uranium from other countries could take place in the 'hex'-factory. By placing emphasis on the *physical* qualities of the uranium, the government was able to avoid dealing with the chain of *contracts* under which the uranium is presented to Urenco from Namibia. However, the government did promise to raise the issue within the European Community – to which both the FRG and the UK belong – to try and stop EEC countries from purchasing uranium from Namibia.

Several months later, in June 1979, the Dutch Government responded to a new series of questions to determine the status of this issue within the EEC. The Government explained that the European Commission had already discussed Namibian uranium contracts in the European Parliament on 15 February 1970. Dutch officials concluded that 'We are convinced that a motion asking for a political decision by the Council of Ministers preventing the importing of uranium from Namibia into the European Community would not receive sufficient support to be adopted. We do not, therefore, consider putting forward such a resolution'.

Ironically, the discussion in the European Parliament on 15 February 1979 did not concern the *illegality* of purchasing uranium from Namibia, but centred on the *undesirability* of EEC countries becoming too independent upon South African and Namibian uranium for their energy requirements. From this debate it appeared that the European Commission, charged with the day-to-day administration of the EEC, was not unhappy with the uranium purchases from South Africa and



Namibia. It was based on this discussion, which did not specifically deal with Decree No. 1, that the Dutch government decided it would not push for any measures against trade in Namibian uranium in the EEC.

At this point, the parliamentary campaign came to a temporary halt with the government being unwilling to take any action to prevent Namibian uranium from being enriched in the Netherlands. But in July 1980 the UN Council for Namibia held public hearings on the Namibian uranium trade at the UN headquarters in New York. Three witnesses from the Netherlands, researcher Ruurd Huisman, myself and a member of parliament, Ineke Lambers-Hacquebard, testified on the nature of Dutch violations of international law concerning the exploitation of Namibian uranium. These uranium hearings received fair coverage by the Dutch news media, partly because of the involvement of Ms Lambers-Hacquebard, a Dutch MP. On her return to the Netherlands, she continued to press for an end to Dutch involvement in the Namibian uranium trade and called for a consultative meeting of the parliamentary committees for energy and foreign affairs with the Ministers for Foreign Affairs and for Economic Affairs. This was held in October 1980.

For this consultation, the Ministers prepared a position paper which was largely a repetition of their previous standpoints. However, they did reveal that 'when uranium is offered for enrichment to the Urenco factories three streams are, on an administrative basis only, divided into an American, a Canadian, and a "remainder" stream'. The position paper further held that the original country of origin of uranium entering the Netherlands for enrichment could not be traced through customs documents. The conversion of the uranium oxide ( $U_3O_8$ ) to hexafluoride ( $UF_6$ ) is considered to be a process which, for customs purposes, changes the country of origin. According to the customs documents, *Namibian* uranium oxide is imported into France, but *French* uranium hexafluoride is sent to the Netherlands for enrichment. The Ministers re-emphasised that they did not consider it possible to alter the Treaty of Almelo to exclude Namibian uranium. They ended by stating that they hoped that Namibia would soon achieve its independence as this would then be a satisfactory end to the problem.

Forty-three MPs, representing both government and opposition parties, spent several hours in debate with the two ministers. Concessions finally were made by the ministers. Under pressure from the Members of Parliament, the Minister of Economic Affairs promised to investigate the possibility of asking agencies that offer uranium to Urenco for enrichment to sign a Negative Certificate of Origin stating that the

uranium does not come from Namibia. But the Minister reminded his listeners that

The Netherlands is a member of the European Community in which no restrictions of trade occur. In addition, according to the Treaty of Almelo no orders for enrichment of uranium can be refused if these come from one of the partner countries. Because of the policy of the European Commission, Euratom provides no framework for action in this case. Because we do not in any event import any Namibian uranium, I feel inclined to opt for a Negative Certificate of Origin.

However, when members of Parliament demanded some political action by the Dutch government as well, the Minister of Economic Affairs explained that

I am certainly willing to contact the Council for Namibia in New York during the next session of the General Assembly. This contact, which could take place within a few weeks, should be aimed at getting an insight into the opinion of the Council for Namibia with regard to this whole problem.

Despite the promises made by the government ministers in October 1980, there was no report to parliament concerning any progress in this matter. The next development was triggered off by the publication, in May 1981, of an article in a Dutch legal journal by Professor J. P. Verheul, Professor of private international law at the University of Leyden.<sup>3</sup> Dr Verheul, supported by eight other professors of international law from five Dutch universities, claimed that the reasons given by the Dutch government in parliament for not being able to end the enrichment of Namibian uranium by Urenco did not hold water. He stated in particular that obligations entered in to by the Dutch government on a voluntary basis (such as the Treaty of Almelo) could not take precedence over international obligations stemming from Dutch membership in the United Nations (such as Decree No. 1 or Security Council Resolution 283 (1970) which calls for an end to all State involvement in trade with Namibia). But the Dutch Government rejected the suggestions in this article. Still, the Government reported that 'consultations had taken place with the Council for Namibia for a suitable date on which a specially empowered committee of the Council could visit the Netherlands with a view to holding discussions on Namibian uranium and other topics.

The meetings which were promised 'within a few weeks' of October 1980 never took place. Nor was there a report on the possibility of

instituting a Negative Certificate of Origin for uranium imports into the Netherlands.

A General Election took place in May 1981 which temporarily changed the balance of power within the Dutch parliament. After months of tortuous negotiations, a three party centre-left coalition was formed to replace the old centre-right coalition. The new government, a Christian Democrat–Labour Party–Democrats'66 coalition, seemed geared to take strong action against the South African apartheid government. The most conservative of the three coalition partners, under the influence of their South Africa specialist, Jan-Nico Scholten, had adopted an aggressive anti-apartheid policy which also called for an end to the enriching of Namibian uranium by Urenco. This was openly supported by the Labour Party and Democrats '66. In addition, Ineke Lambers-Hacquebard of Democrats'66, who had initiated much of the parliamentary debate on the Namibian uranium question, was named as deputy minister for environmental affairs in the new cabinet. It appeared as if the new government was prepared to act decisively after many years of vague arguments and delays.

However, the centre-left coalition very quickly proved to be a house divided internally. Endless arguments on economic and social policy in the face of an economic crisis and growing unemployment crippled the government. It was March 1982 before Members of Parliament again questioned the government about the trade in Namibian uranium.

The new government acknowledged that in February 1982 a delegation of the UN Council for Namibia visited the Ministry of Foreign Affairs. But this mission was aimed only at asking for financial contributions to the United Nations funds for Southern Africa.

However, the Government did indicate that they had started consultations with the UN Council for Namibia as to how the use of Namibian uranium could be prevented:

It is known that the Netherlands itself imports no uranium from Namibia. The possibility of a Negative Certificate of Origin has been investigated. The result is that a requirement imposed only by the Netherlands to produce a Negative Certificate of Origin when importing uranium is not the right way to solve this problem. On the one hand it is questionable as to whether such a procedure is in line with European Community law, while on the other hand, it is practically impossible to check the correctness of the facts contained in such a declaration.

Shortly afterwards the centre-left coalition collapsed when the Labour Party withdrew its support. The Christian Democrats and Democrats'66

continued in a caretaker capacity until new elections were held in September 1982. These resulted in a new centre-right coalition between the Christian Democrats and the conservative Liberal Party. Although the Christian Democrat's election programme still called for an end to the enrichment of Namibian uranium in the Netherlands, any mention of this was scrapped in the new programme of the governing coalition as a concession to the conservative Liberal Party.

In December 1982, partly as a result of the Hearings on Namibian Uranium held in July 1980 and further political activities undertaken by the UN Council for Namibia, the General Assembly of the United Nations adopted a resolution requesting the Netherlands together with its partners in Urenco, the FRG and the UK, to specifically exclude the processing of Namibian uranium from the Treaty of Almelo. The Dutch abstention in the General Assembly of the United Nations on the resolution on Namibia was based on a large number of passages contained in the resolution which are unacceptable to the Netherlands. An example of this was the request to the Security Council to impose comprehensive sanctions against South Africa. The Netherlands indicated that it had no objection to the fact that the General Assembly requested three member states of the United Nations not to allow Namibian uranium to be processed by Urenco. After all, the United Nations was still responsible for Namibia and the mining of Namibian minerals. But the Government was quick to point out that

this parliament has been informed on many previous occasions [that] the government is against the use of uranium coming from Namibia. Because of this the importing of Namibian uranium for Dutch use will be prevented... It is just as undesirable that Namibian uranium is enriched in Almelo. In the past this parliament has been extensively informed as to the difficulties that exist in preventing the enrichment of this uranium in Almelo.

A discussion in the Dutch parliament then ensued concerning contracts between the Netherlands' Urenco partners, the FRG and the UK, who bought their uranium from the Rossing mine in Namibia. One of the Dutch government's main arguments for refusing to stop the processing of this uranium was that the Treaty of Almelo binds Urenco to accept all contracts from the Urenco partners. But there is no such clause binding Urenco to accept contracts from other sources. This became an issue in subsequent discussions on the possibility of Urenco accepting a contract to enrich uranium for Taiwan.

In the first week of January 1983, when politicians were still debating the UN General Assembly request on the Treaty of Almelo and Namibian uranium, the Ministers of Foreign Affairs and of Economic Affairs sent a formal note to the Dutch Parliament indicating that Urenco has recently applied for permission to put in a tender to carry out enrichment work for the Taiwan Power Company. The request covered 4000 tons to be delivered in the 1990s. Research by Ruurd Huisman, who had traced the Namibian uranium link to Urenco via the FRG and the UK in 1978, brought new information to light. His findings were published in the Rotterdam evening paper, *NRC Handelsblad*, on 14 January 1983 and in the *Windhoek Observer* on 29 January 1983. Rio Tinto Zinc (RTZ), the operators of the Rossing mine in Namibia, had just announced the sale of 4000 tons of uranium from 1990 to Taiwan. A process of elimination showed that RTZ could only have sold that amount of uranium to Taiwan from its Rossing mine (the RTZ mine in Australia had just closed down; the RTZ mines in Canada could perhaps supply that quantity but Canadian government policy prevents nuclear exports to Taiwan; and RTZ's South African mine is far too small. The only possibility remaining was the Rossing mine in Namibia).

The possibility of a Taiwan contract for Urenco was controversial for reasons other than the Namibian link. The Netherlands does not diplomatically recognise Taiwan, and relations with the People's Republic of China could have been further strained if such a sensitive nuclear contract were to be entered into with Taiwan. The Dutch government, in the face of mounting criticism, said that in view of the time-scale involved (1990) no immediate decision would be taken.

There followed a lull of several months in parliamentary activity on the issue of Namibian uranium. Lambers-Hacquebard, who had initiated much of the Namibian uranium activity since 1977, resigned her parliamentary seat due to personal reasons. Then, Jan-Nico Scholten, the Christian Democrat spokesman on Southern Africa who had led a lonely battle within his party for an oil embargo against South Africa, was virtually forced out of the Christian Democrat party because of his 'radical' views. But he remained in parliament representing a two-member independent alliance.

Finally in November 1983, Jacques Wallage, the Labour Party spokesman on Southern Africa, revived the Namibian uranium discussion. In response to his questions the Dutch government confirmed that consultations with the UN Council for Namibia took place in June 1981, during a mission of the Council to The Hague. In April

and May 1982, further contacts took place, this time through the intervention of the Permanent Mission of the Netherlands in New York. From the Dutch side it was said that

it was the root of the problem that should be attacked, namely the purchase of the uranium ore in Namibia. The Treaty of Almelo is not the right instrument for the Council for Namibia to use in its attempts, which the Netherlands in principle supports, to end the exploitation of Namibia's mineral wealth. The Council should in the first instance approach the purchasers of the Namibian uranium.

During these consultations, the Council let it be known that it was for the moment not considering taking steps to implement Decree No. 1. The Council also was not prepared to approach the UN Security Council with a request for a mandatory boycott of Namibian minerals. The Council expected that such a resolution would be vetoed by the permanent Western members.

The Dutch government also indicated that it had not responded to the request of the UN General Assembly to exclude Namibian uranium from the Treaty of Almelo, nor had the FRG or the UK. 'Considering the purchasing policy of these two countries', explained the Government,

it is likely that the goods which are sent to Almelo for enrichment – and which remain German or British property – are at least partly of Namibian origin. Co-operation by the Urengo partners in refusing to process Namibian uranium is not to be expected, neither in changing their own purchasing policy nor in altering the Treaty of Almelo such a way that would exempt the Netherlands from the obligation to enrich all goods submitted by the Urengo partners.

The Dutch government also explained that a Negative Certificate of Origin was not a suitable method for editing the enrichment of Namibian uranium in the Netherlands, since Article 93 of the Euratom Treaty forbids the maintenance or institution of a 'customs duty on imports or exports, or a levy which has the similar function or any quantitative restriction of imports or exports'.

The Government then referred to the October 1980 policy statement, noting that

as far as Euratom is concerned the minister confirmed the Supply Agency did not function in the way which was laid out in the Treaty, a fact which was to be regretted. The various member states each have their own purchasing policy. The necessary approval by the

agency is a mere formality. There is scarcely any supervision. The government has checked the attitude of the other member states on purchases from Namibia and must conclude that no action can be undertaken through Euratom.

In brief, the government was continuing its policy of hiding behind the position of either the Urenco partners or the other members of the EEC. The government continued to raise the *physical* problem of identifying Namibian uranium (in hexafluoride form), while refusing to accept the consequences of recognising the *contractual* links which it admitted existed between Namibia and Urenco through the British and West German purchasing agencies.

One small breakthrough was achieved in January 1984. On the occasion of an official visit by the Dutch Minister of Economic Affairs to the Urenco factory in Almelo, the managing director of Urenco reviewed the prospects for future enrichment contracts for Urenco. The chance that uranium would be enriched for Taiwan had now been eliminated. No reasons were given, but it now seemed that uranium from Namibia coming by way of the RTZ-Taiwan contract would not be enriched by Urenco.

In a final attempt to break through the Dutch government's lack of political will to act against the enrichment of Namibian uranium by Urenco, the Labour Party MP, Jacques Wallage, asked for another consultative meeting between the parliamentary foreign affairs commission and the Minister of Foreign Affairs. This was held in March 1984. Wallage accused the minister of lacking the political will to act in this matter. The contacts with the Urenco partners had only been informal and the Dutch government had never formally proposed a Treaty alteration. The minister replied by asking if the Labour Party wanted to force a choice between the continued existence of the Treaty of Almelo and the enrichment of Namibian uranium on behalf of the Urenco partners. The conservative Liberal Party supported the minister, and criticised the United Nations for not paying more attention to the *purchasers* of the uranium. They further criticised the UN Council for Namibia for sending a telex to the Dutch parliament expressing the hope that a decision would be made to end Dutch involvement in the Namibian uranium trade. It seemed to the Liberals that the UN body was trying to interfere in the democratic procedures of a member state.

The Christian Democratic Party (which still officially argued that no Namibian uranium should be enriched by Urenco) joined the Liberal Party's criticism of the UN. The Christian Democrats further claimed that the problem was no longer a major one as Namibia would soon

be independent! This back-tracking on the part of the Christian Democrats (whose Southern Africa policy became more conservative after former foreign affairs spokesman, Jan-Nico Scholten, left the party) meant that there was no parliamentary majority to force the government to take action to end the Namibian uranium trade.

The failure of the Dutch Parliament itself to take steps to end the Dutch involvement in the illegal Namibian uranium trade was clearly an important factor behind the UN Council for Namibia's historic decision to take legal action to enforce the Decree. On 4 May 1985, the Sterring Committee of the United Nations Council for Namibia, meeting in New York, decided to begin legal action in the Netherlands aimed at enforcing Decree No. 1. And on 2 May 1985 a plenary meeting of the UN Council for Namibia held in Vienna, Austria confirmed the decision of the Sterring Committee and gave instructions to the UN Commissioner, B. Mishra, to proceed to the Netherlands and engage lawyers to represent the Council and to prepare the suit against Urenco.

Nearly nine years of political campaigning, in one of the most open democracies in the world, has failed thus far to bring an end, via parliamentary procedures, to the strategic involvement of a Dutch state concern (Urenco) in the illegal uranium trade with Namibia (and the government itself has admitted all along that the trade is illegal).

Through the years of this campaign, the illegal contracts for the supply of Namibian uranium to West European electricity firms continued to be executed. And while the mine owners, the mine managers, the traders and the processors were all reaping the benefits from Namibia's mineral wealth, Namibians have remained under illegal foreign occupation.

## NOTES

1. Quotation from the formal title of the Treaty of Almelo.
2. Based on answers to questions submitted to the Ministers of Foreign Affairs and of Economic Affairs in 1977. These parliamentary questions were submitted by Democrats'66, an anti-nuclear power party, after consultations with the Working Group Kairos, a church-based anti-apartheid group in the Netherlands.
3. J. P. Verheul, 'Namibisch Uranium', *Nederlandse Juristenblad* (May 1981). An English version of this paper was presented in June 1981 to the seminar in The Hague, the Netherlands, organised by the UN Council for Namibia on 'The Legal Issues Concerning the Question of Namibia'.



## 6 Scandinavia and Namibia: Contradictions of Policies and Actions\*

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The official position of the Scandinavian governments on the Namibian question has been expressed in a number of policy documents and reflected in voting patterns at the United Nations and in other international fora. The illegal occupation by racist South Africa of the territory of Namibia has been condemned consistently in unequivocal terms, and calls have been made for the withdrawal of all South African military forces and administrative personnel. The right to self-determination by the Namibian people is considered the only basis upon which an independent and non-racialist Namibia can be built.

Scandinavian governments, however, have taken the view that the conflict should be resolved peacefully through negotiations, thus rejecting as a matter of principle armed struggle as a means of conflict resolution. As a result they have sought to assume a mediating role *vis-à-vis* the parties directly involved. Over the years, however, the scope for mediation seems to have narrowed considerably. Consequently, the Scandinavian governments have reverted to passivity, leaving the scene to the so-called Contact Group and the parties themselves.

In pursuit of a peaceful settlement, the Scandinavian governments have declared that Security Council Resolution 435 (1978) is the only viable recipe for a peaceful transition to independence and majority rule. Support for Resolution 435 has been reaffirmed on numerous occasions, most recently by the Nordic Foreign Ministers' Meeting in Helsinki on 30–31 August 1982.

In respect to sanctions against South Africa and its occupying regime in Namibia, the Scandinavian governments have all along favoured comprehensive mandatory action by resolution of the Security Council. Anything short of such a maximalist course of action would, it is claimed, undermine the authority and structure of the United Nations. As a matter of formal procedure, it rests with the Security Council only, and no other organ within the UN framework, to impose sanctions against

a member state. This position is maintained despite the consistent triple vetoes in the Security Council against sanctions by France, the United Kingdom and the United States. Thus, when the General Assembly held a special emergency session on Namibia in September 1981 and voted overwhelmingly for a resolution calling for, *inter alia*, the imposition, individually or collectively, of sanctions against South Africa, the Scandinavian governments abstained.

In spite of this maximalist and legalistic sanctions policy, the Scandinavian governments have not been entirely consistent on this account. They have, as a matter of fact, embarked on a selective unilateral or limited multi-lateral (that is, Nordic) sanctions policy as per the Nordic Programme of Action of March 1978 and other purely unilateral actions. The joint Nordic programme includes the following objectives: 1) prohibiting or restricting new investments in South Africa and Namibia; 2) negotiating with Nordic companies on reduction of their production and operations in South Africa and Namibia; 3) urging associations and organisations to cease all sporting and cultural links with the South African apartheid regime; 4) increasing all the Nordic countries' assistance of liberation movements, refugees and victims of apartheid.

Within a UN context, the Nordic governments also agreed to work for binding Security Council resolutions extending the arms embargo to other sectors such as investments and trade, and to ensure the strict enforcement of the arms embargo. Subsequently more points have been added to the list above, including cessation of all export promotion schemes and introduction of visa requirements for South African citizens.

Related to the issue of sanctions is the understanding of the legal status of Decree No. 1 for the Protection of the Natural Resources of Namibia passed by the UN Council for Namibia. None of the Scandinavian governments recognise Decree No. 1 as having legal force equal to that of Security Council resolutions. As a consequence they will not take legal action against Scandinavian subjects in breach of the decree.

Following the breakdown of the so-called pre-implementation talks in Geneva in early 1981, the Western Contact Group took a new initiative in an attempt to bring the negotiations out of the deadlock. The post-Geneva disillusionment was evidently so profound that any fresh initiative was welcomed in most quarters, even if it meant that further negotiations were moved out of the ambit of UN organs. The initiative was well received by the Scandinavian governments, which

expressed their appreciation of the efforts of the Contact Group, thus deviating from the General Assembly majority view rejecting the 'manoeuvres by certain members of the Western contact group aimed at understanding the international consensus embodied in Security Council resolution 435'.<sup>1</sup> Although the negotiations once again led to an impasse, the Scandinavian governments stated that they had regarded the initiatives of the Contact Group as potentially fruitful and that such a fresh departure could bring the Namibian problem nearer a solution. However, they considered the linkage of the withdrawal of Cuban troops from Angola to a Namibian settlement to be outside the framework prescribed in Resolution 435. Instead, they saw the presence of Cuban troops as a bilateral affair between Angola and Cuba, albeit admitting that the issue had some bearing on the Namibian situation. But as a precondition for Namibian independence it was considered absolutely unacceptable. It was to be understood that a negotiated settlement should be based on Resolution 435 and that no fundamentally new elements at variance with the provisions of Resolution 435 should be introduced into the negotiation process.

This general approach was reiterated by the Nordic governments in a message to the UN on Namibia Day 1982, concluding that they 'stand ready to assist the United Nations in appropriate forms in carrying out the peaceful transition to a free and independent Namibia'.<sup>2</sup>

From voting patterns in the General Assembly on resolutions regarding the situation in South Africa and Namibia, a slight difference may be observed between, on the one hand, Denmark (since 1973 a member of the EEC) and, on the other, Norway and Sweden (neither of which are EEC members). In the 1973-77 period, the Danish vote was identical to that of the other Scandinavian countries on all General Assembly resolutions. In 1978, the year the EEC member states initiated their non-formal political cooperation, Denmark on two occasions voted with the EEC bloc, thus departing from the joint Scandinavian stand which had hitherto been the rule. The following year the same voting behaviour was repeated on four occasions, quite apart from the fact that the EEC bloc was split on the question of nuclear cooperation with South Africa. In 1980 the Danish vote deviated from that of Norway and Sweden only once. Since then all the Scandinavian countries have voted *en bloc*. It is fair to say, though, that it is the position of Norway and Sweden which has moved closer to that of Denmark and the EEC, rather than Denmark returning to the Scandinavian fold.

The Scandinavian countries, with the exception of Denmark, have on a number of occasions voted for General Assembly resolutions recognising SWAPO as the sole and authentic representative of the Namibian people. Denmark has been at pains to point out that other political forces are also operative in Namibia and that their participation in the transition to independence should be ensured as a matter of democratic right. In recent years, Norway and Sweden seem to have come closer to the Danish position. Thus, when officials of the Nordic foreign ministries met in early 1981, they issued a joint statement to the effect that 'no party enjoying popular support should be excluded from a political solution through free and fair elections. SWAPO is such a party and must be part of any solution in Namibia'.<sup>3</sup> This position was reiterated in the Nordic Explanation of Vote on the question of Namibia in the General Assembly in December 1983.<sup>4</sup>

## THE SCANDINAVIAN-NAMIBIAN CONNECTION

Notwithstanding the strong Scandinavian denunciation on the diplomatic plane of South Africa's illegal occupation of Namibia, commercial and shipping relations persist at a non-governmental level, albeit to a modest degree. Table 6.1 below gives details of the Scandinavian trade relation with Namibia since 1971.

As regards Sweden's trade with Namibia the principal commodity categories of imports are unprepared pelts and base metals. Exports consist mainly of manufactured goods, machinery and paper. In the past few years the volume of imports has dwindled and now consists of Swakara pelts only. Many of the Swakara furs on the market, however, have probably been imported ready-made from third countries where the preparation has been done. Exports consist in the main of machinery, particularly mining equipment. Thus Swedish companies contribute indirectly to the plundering of Namibian resources. It should be noted here that products of Swedish manufacture find their way into Namibia through the Republic of South Africa and, therefore, never appear in Swedish-Namibian trade statistics (for example, Scania trucks assembled in South Africa and in use in Namibia, some even for military purposes). The same applies to mining equipment; in 1981 and 1982, Atlas Copco had twenty-two employees working for its sales subsidiary in Namibia, probably including personnel in sales and maintenance. The turnover in 1982 was only SEK 4.4 million. The staffing seems excessive in view of the fact that the total export figure

*Table 6.1 Scandinavia: value of merchandise trade with Namibia 1970–83 (Imports c.i.f. and Exports f.o.b. in current prices). In thousands of the respective national currencies\**

Year	Denmark**		Norway		Sweden***	
	Imports	Exports	Imports	Exports	Imports	Exports
1970	8 000	710	865	2 160	—	—
1971	7 636	700	2 156	566	724	993
1972	3 897	592	1 867	725	2 208	999
1973	—	—	361	1 107	1 453	2 128
1974	—	—	1 593	1 330	2 441	2 411
1975	1 771	348	—	608	2 301	526
1976	33	910	120	452	3 038	360
1977	—	235	25	133	3 647	233
1978	15	582	109	94	3 322	379
1979	20	748	60	702	3 895	100
1980	—	849	330	11 145	3 923	1 022
1981	3	941	1 666	1 691	2 878	409
1982	5	1 944	185	888	277	665
1983****	—	1 573	34	1 054	29	2 402

\* The national currencies are Danish and Norwegian kroner and Swedish kroner, abbreviated DKK, NOK, SEK respectively. These abbreviations are being used throughout the text. Although the exchanges rates have tended to fluctuate over the years, they were the following as per 30 May 1984; 1 US\$ = DKK 10.04, NOK 7.80, SEK 8.06.

\*\* In 1972 Denmark joined the EEC and for two years (1973–74) only figures for total trade with South Africa and Namibia combined were given, concurrent with established EEC practice.

\*\*\* Prior to 1971 trade with Namibia was included in the figure for South Africa; no separate statistic was recorded.

\*\*\*\* Provisional.

*Sources:* Central Bureaux of Statistics of Denmark, Norway and Sweden, respectively.

for 1982 was a mere SEK 665 000 and for 1983 SEK 2 405 000 which covers all other exports as well. There can be no other explanation than the fact that the twenty-two staff members are selling and servicing mining equipment produced in South Africa by the Atlas Copco production plant there.

According to official statistics and assurances from the authorities, Sweden does not import uranium from Namibia, but researchers have indicated that it is not altogether impossible that Namibian uranium finds its way to Sweden by circuitous routes known as the 'yellowcake road'.

Norwegian imports from Namibia are comprised of unprepared pelts and precious stones. Exports consist principally of processed fish products and instruments of measurement and analysis. The sudden increase in exports in 1980, however, warrants an explanation. It appears that NOK 10.77 million of the total figure derive from exportation of ships exceeding 100 gross tons, most probably a fishing vessel.

As one of the world's major shipping nations, Norway has been, and is most probably still, involved in the shipment of goods to and from Namibia. It has been conclusively established that Norwegian ships have been carrying copper ores from Walvis Bay to Hamburg in West Germany on a regular basis. A number of tankers have also called at Walvis Bay, although it has not been ascertained whether oil has been discharged or whether the reason for berthing has been taking in bunkers or supplies. A few ships have furthermore been laid up at Walvis Bay for certain periods. These shipping activities clearly contravene Decree No. 1, which covers not only extraction and processing of Namibian raw materials, but also their transportation.

In line with the trend in international shipping, Norwegian ship owners increasingly register their ships under so-called 'flags of convenience', for example, in Liberia, Panama, and so on. The Norwegian government supports and promotes this development. It may well be, therefore, that Norwegian shipping interests are more deeply involved in transporting goods to and from Namibia than meets the eye at a superficial glance. The above information refers to ships registered in Norway only.

Since the mid-1970s, Danish imports from Namibia have dwindled to almost nil. Prior to that point in time, large quantities of Swakara and other unprepared pelts had been imported for further auctioning. Exports have consisted mainly of dairy products and machinery. The marked increase in export figures since 1981 is accounted for by

delivery of refrigeration equipment valued at DKK 1.1 million and DKK 0.8 million in 1982 and 1983 respectively.

Whereas a number of Danish companies have instruments in South Africa, among them the East Asiatic Company and the pharmaceutical NOVO company both falling under the EEC Code of Conduct, there is not documentation to the effect that these have extended their operations to Namibia.

### THE SWEDISH BAN ON NEW INVESTMENTS IN SOUTH AFRICA AND NAMIBIA

Swedish investments in South Africa and Namibia are comparatively small in absolute volume terms, but they are important in critical sectors of the South African economy. There altogether seven Swedish-controlled production companies in South Africa in the manufacturing sector, with a combined turnover in 1976 of SEK 700 million and combined total employment of 4462. Two companies, the Scandinavian Airlines System (SAS) and Transatlantic, are only involved in the service sector, and had a combined turnover of SEK 12 million in 1976. Another ten companies have subsidiary sales companies in the Republic and Namibia.<sup>5</sup>

In June 1985, Sweden, Norway and Denmark agreed to end all Scandinavian Airlines System flights to Johannesburg to protest against South Africa's apartheid policies. Under the twenty-seven-year-old contract, SAS maintained a weekly flight from Copenhagen to Johannesburg via Nairobi. The weekly flight carried 142 seats, a marginal share of traffic between South Africa and Europe which totals 20 000 seats a week.

As regards Namibia specifically, the role of Swedish companies remains obscure. The South African production subsidiaries of SKF, Skega and Atlas Copco have established subsidiary sales companies in Namibia. SKF, however, holds only 49 per cent of the equity and claims not to control it. Activities are, therefore, not reported to the Swedish government. Several of the other companies market their products in Namibia as well. Sanctions against companies located in Namibia have never been treated as a separate issue, though, since the law applied both to the Republic and Namibia.

The discussion on Swedish investments was started by church groups after the World Council of Churches had called for disinvestment. It was later picked up by the trade unions. The Swedish Ecumenical

Council gave the companies in question three years to prove that their presence in South Africa had positive effects on black wages and terms of employment. When, three years later, the Swedish companies were shown to behave no better than other transnationals, the call for disinvestment gained strength.

In 1977, the then leader of the Social Democratic Party, Olof Palme, then in opposition, called for action to stop new investments in South Africa. This was the first time a leading Swedish politician had suggested sanctions outside the framework of the UN Security Council. A parliamentary commission of inquiry was appointed to investigate possible means and mechanisms, including legislation, to this end. At the same time, the companies in question were asked to withdraw voluntarily, but they all declined. The commission, when reporting some time later, proposed not only to ban new investments as a matter of state policy, but also to introduce legislation which would make it a criminal offence to invest in South Africa and Namibia. Thus a law prohibiting new investments by Swedish companies in South Africa and Namibia was passed by Parliament, and put into effect on 1 July 1979.

The basic rationale of the law (see Appendix) was not to compel the Swedish companies to wind up altogether, but rather to allow them to 'hibernate' until social change in South Africa made new investments acceptable again. The legal restrictions imposed on the companies were that expansion of operations would not be allowed, but existing levels were permitted to be maintained. This 'hibernation' philosophy was, of course, strongly criticised by the Africa Groups of Sweden (AGIS) and others who asked for total disinvestment and strict control over technology transfers.

In order to enable the companies to 'hibernate', an exemption clause was included in the law, in terms of which applications could be made to replace obsolete or worn out equipment and machinery, but not to expand production capacity. This clause has proved to be the principal weakness of the law. During the first two years after the law came into effect, only one application for exemption was turned down; it involved a portfolio investment and had in fact nothing to do with 'hibernation'. Six exemptions were granted, totalling SEK 14.8 million and averaging SEK 7.4 million per year, which is only slightly less than the SEK 9.6 million annual average for the period 1970-76 before the law came into effect.<sup>6</sup> A few companies made small investments without applying, but were not prosecuted for doing so. During the pre-ban period, SKF and Sandvik hurried to invest and increased their production value by 50 per cent respectively. Two applications for a



total of SEK 18 million filed in November 1981 were not decided upon until the eve of 1982 general elections, which, incidentally, ousted the incumbent government. Both of these were turned down on political grounds, largely as a result of public opinion pressure from AGIS, the Isolate South Africa Committee (ISAK) and other organisations.

By the end of 1983, fourteen applications had been submitted, totalling SEK 10.2 million of which SEK 5 million had been granted. Only three applications had been flatly rejected, and five had been partially granted. In absolute volume terms, about 49 per cent of the applications had been granted.<sup>7</sup>

Another loophole in the law is the fact that it does not cover acquisition of South African subsidiaries through takeovers of companies in third countries. Three subsidiaries have been acquired by Swedish companies in this manner, one of which has subsequently been sold.

The largest Swedish company with interests in South Africa, ASEA, has not reported its activities in the Republic at all to the State authorities as required by the law. It argues that it sold part of its equity in 1979 and now holds only 24.9 per cent in ASEA Electric South Africa Ltd. The latter is no longer a subsidiary of the parent ASEA company and, therefore, it is claimed that the law does not apply to it. The government has accepted this without further inquiry. It should be pointed out however, that a minority equity holding does not necessarily mean that actual control has been relinquished. Although it has not been ascertained, there is reason to believe that ASEA has retained control of its South African subsidiary through management and technical agreements. An attempt was made by ISAK to bring charges against ASEA on this basis, but the prosecutor dropped the case before it was actually investigated, stating that there were no adequate grounds for suspicion that ASEA had violated the law. ASEA also invested SEK 66 million in 1979 immediately before the law went into force.

The principal loopholes can thus be summarised as follows: 1) the exemption clause has been applied too liberally; 2) lack of clarity as to which companies the law applies; 3) acquisition of subsidiaries in South Africa via third countries is not explicitly prohibited; 4) production may be transferred to other local companies by way of management and technical agreements; 5) restrictions on direct investments may be evaded through leasing arrangements; 6) the law does not apply to technology transfers; 7) Swedish authorities have no effective means of checking information given by the companies required to report on operations. South African legislation (for example, Official Secrets Act,

National Supplies Procurement Act) precludes companies from reporting adequately. To the Swedish parent companies it seems more expedient to violate Swedish law rather than South African law when compelled to choose; and 8) only part of the information available to the state authority handling the exemption applications is made public, thus thwarting opinion mobilisation against exemptions.

What then has been, in essence, the effect of the law? As a result of the introduction of this piece of legislation, some subsidiaries have been sold, but the overall effect on volume of investment and production capacity has been minimal, notwithstanding the fact that combined total turnover of the Swedish subsidiaries dropped by 4 per cent in real terms from 1981 to 1982. The latter can most probably be attributed to the general downturn in the business cycle worldwide, including South Africa. Rather, the law may have precipitated an increase in commodity exports to the Republic, particularly of machinery, to offset possible loss of investment opportunities. The law has thus had negligible adverse effects on the South African economy and Swedish subsidiaries relative to the level of involvement prior to the introduction of this legislation. A possible side effect may have been the projection of independent Africa by Sweden as a progressive force, thus creating goodwill which, in turn, could be exploited commercially.

What the law probably *has* done, however, is to slow down the rate of investment and expansion. After all, a limited number of applications have been turned down and others have been pruned. Furthermore, the mere existence of the bureaucratic application procedure has caused delays in effectuating investment programmes.

The expectation by the government, however, that other states would follow suit with similar legal measures has not been met. Although similar legislation has been contemplated in Holland and the United States, nothing has in fact materialised as yet. This was conceded by the Minister for Foreign Affairs, Lennart Bodstrom, in a speech in November 1982 at a seminar in Stockholm concerning sanctions against South Africa:

The Swedish ban on new investments in South Africa and Namibia is intended, *inter alia*, to be emulated internationally. We regret that this aim has not yet been accomplished. The hesitation on the part of other countries may have been due to the application of the law and its lack of effectiveness. It is the intention of the government, based on proposals from the current Parliamentary Review Commission, *inter alia*, to close existing loopholes.<sup>8</sup>

Moreover, the requirement that companies must submit applications for exemptions and report annually on operations has prolonged the debate over the law and the lenient way in which it is being enforced. The solidarity organisations, ISAK and AGIS, have both played an important role in this debate by producing documentation and pressing for the total withdrawal of investments. As a result, the divestment argument has been gaining ground. Discussions within churches and trade unions have been resumed over the issue of whether shares in companies investing in South Africa should be withdrawn or sold. On the other hand, forces in favour of a complete repeal of the law have recently been mobilised as well.

A major point raised by AGIS and ISAK is the role of the Swedish subsidiaries in South Africa's so-called 'total strategy': 1) in terms of the National Supplies Procurement Act, the companies may be required to produce for military purposes. SKF admits to currently producing bearings for the armed forces; 2) in terms of the National Key Points Act, companies may be required to set up industrial commando units to check labour unrest. Several Swedish subsidiaries are of such a nature that they are likely to be considered key points to which the act applies; and 3) companies pay 75 per cent of the regular wage to white employees when they are called up for service in Namibia or Angola.

The frequent granting of exemptions and the role of the Swedish subsidiaries in the apartheid military machine has spurred a continuous debate. The government has been forced to appoint a Parliamentary Review Commission to look into the manner in which the law has been applied so far, with a view to suggesting methods and mechanisms whereby it could be made more effective. Apart from the terms of reference drawn up by the government, the solidarity movement has made a number of demands: 1) that the exemption clause be abolished; 2) that an explicit ban on franchising and sale of licenses to local companies be added; 3) that leasing be explicitly prohibited; 4) that the feasibility of introducing a trade licensing system be considered with a view to preventing transfers of technology; and 5) that strict enforcement of the arms embargo be observed.

The report of the Commission has recently been released and contains a number of proposals, some of which will further tighten up the law:<sup>9</sup> 1) the ban will be made applicable to financial leasing as well, but with the same possibility of exemption as direct investments; 2) the exemption clause will be deleted altogether by the end of 1990; 3) smaller investments up to SEK 100 000 will be allowed without requiring application for exemption; 4) licence agreements will be subject to

registration; 5) procedures for processing exemption applications will be streamlined and simplified; 6) further restriction will be imposed on loans and credits to South African state institutions, including those through the IMF; and 7) more information about the law should be disseminated internationally to promote emulation by other countries.

On the other hand, the Commission failed to address a number of other issues or decided against certain measures: 1) no restrictions will be imposed on trade. A trade licensing system is considered too cumbersome and would, anyway, be contrary to Sweden's GATT obligations; 2) no explicit prohibition of indirect acquisitions through third countries will be introduced, but companies are required to report such acquisitions; 3) no action will be taken against SAS's weekly flights to Johannesburg. As mentioned earlier, however, the government unilaterally suspended these flights in 1985; and 4) no change will be made in the rather legalistic concept of what constitutes a subsidiary, that is, majority share of equity, currently being applied.

## GOVERNMENTAL ASSISTANCE

Concomitant with political and diplomatic support for SWAPO, the Scandinavian governments have also provided material assistance since the early 1970s to SWAPO and other organisations, national and international, aiding Namibians.

Sweden's assistance to SWAPO has been increasing at a fairly rapid rate during the past decade, although tapering off slightly in the last few years. Direct official assistance amounted to SEK 47 million in the 1983/84 fiscal year, and SEK 50 million was budgeted for 1984/85. The funds are used mainly for food purchases and transport. Sweden is also a major contributor to various UN agencies through which assistance reaches SWAPO and Namibians. Assistance via UN organisations earmarked specifically for Namibia include the UN Institute for Namibia and the Nationhood Programme for which a total of SEK 10.5 million was allocated in 1983/84. Considerable funds are also channeled through international non-governmental organisations (NGOs) such as the World University Service (WUS) and the International Defence and Aid Fund (IDAF). National NGOs like the Africa Group of Sweden received SEK 2.1 million for their SWAPO programme in 1983. Other Swedish NGOs received approximately SEK 2 million. Some funds are also channelled via Swedish churches to run programmes inside Namibia.<sup>10</sup>

The government of Norway provided a total of NOK 16 million in direct assistance to SWAPO in 1983. Various UN agencies (for example, the UN Institute for Namibia, Nationhood Programme, and so on) received NOK 5.7 million in the same year. A further NOK 5.7 million was channelled via churches and NGOs to refugees and development projects, bringing the total governmental assistance figure to NOK 27.4 million in 1983.<sup>11</sup>

Unlike the other Scandinavian countries, Denmark has preferred to grant assistance to southern African liberation movements indirectly. A special Appropriation for Assistance to Victims of Apartheid (AAVA) has, since 1965, provided funds to be channelled through international governmental and non-governmental organisations such as those of the UN family, IDAF, WUS, the Lutheran World Federation and the Danish Federation of Trade Unions. An advisory committee representing a number of NGOs makes recommendations to the Minister for Foreign Affairs on how to allocate the funds available. The volume has increased steadily, reaching DKK 45 million in 1983. Out of this total, about 30 per cent was earmarked for assistance to Namibians, for example, through the UN Fund for Namibia, the educational programmes of the Lutheran World Federation and the refugee programmes of WUS in Angola. The AAVA was expected to increase by DKK 5 million in 1984 to a total of DKK 50 million.<sup>12</sup>

A logical follow-up to the present political and material support for SWAPO would be a massive governmental assistance programme after independence. Consultations towards this end have been conducted on a Nordic basis (that is, including Finland).<sup>13</sup> Although future Nordic assistance is likely to be coordinated within a joint financial framework, the operational responsibility will rest with the respective national aid agencies. Finland, which most probably will establish an embassy after independence as soon as circumstances permit, is envisaged to act as a coordinator in the field. Discussions of sectoral priorities are considered premature at this stage and will have to await a sovereign government in Windhoek. Nonetheless, vague indications are that Denmark is interested in agriculture and food aid. Sweden has expressed an interest in repatriation of refugees, management assistance and possibly education, whereas Norway may get involved in fisheries and fish processing. The volume of assistance will be about FIM 50–70 million annually in respect to Finland, and for the three Scandinavian countries at about the same level as current assistance to SWAPO.<sup>14</sup>

## SOLIDARITY WORK AND HUMANITARIAN ASSISTANCE

One of the main functions of the solidarity movement is to inform the public about the liberation struggle in Namibia and South Africa, and to mobilise support for SWAPO and the ANC. Since the accession to independence in the mid-1970s of the former Portuguese colonies after a protracted armed struggle, solidarity work for SWAPO and the ANC was intensified by the Africa Groups of Sweden (AGIS) which, based on individual activist membership, consist of some twenty local groups throughout the country. A component task is that of exposing and fighting any Swedish collaboration with the apartheid regime, be it trade, investments or otherwise. When mobilisation and information activities expanded, the need was felt for a broader organisation. Consequently the Isolate South Africa Committee (ISAK) was formed in 1979, based on organisational membership as opposed to individual membership. It now comprises thirty-five nationwide organisations, including political, youth and women's movement as well as Christian, peace and student organisations. ISAK works for the total isolation of South Africa by all possible means including embargoes, boycotts and the complete withdrawal of all Swedish investments, in addition to support for SWAPO and the ANC. ISAK has already gained recognition as a significant pressure group, and carries out campaigns annually with emphasis on consumer boycotts. Most campaign activities are undertaken jointly with AGIS, and much is likewise done by the member organisations.

Material assistance to SWAPO is not the prerogative of the government. Having supported SWAPO materially since the beginning of the 1970s, two Emmaus groups have the longest tradition in this respect. In 1974 they were joined by Bread & Fishes. Their main activity has been the collection of second-hand clothes, sewing machines, radios, toys and kitchen utensils. Approximately 1800 tons of clothes have been despatched to SWAPO over the years. These organisations are workers' collectives raising money for their operation by way of flea markets. The Swedish government, through the Swedish International Development Authority (SIDA), pays for freight and incidental costs.

A special collection of hospital material gradually developed into a separate project called Medical Aid to SWAPO, which is run jointly by AGIS and Bread & Fishes. Prior to this project being set up in 1980, hospital material worth SEK 1 million had been sent to SWAPO. From 1980 the project has contributed SEK 5 million for material and construction of a hospital in the SWAPO settlement of Kwanza Sul.

Of this, SIDA has provided 75 per cent. A team of two doctors and two nurses has also been recruited by AGIS.

The list of Swedish NGOs providing assistance to SWAPO in one form or another is very long. Some of the more important ones will be mentioned here. The Swedish section of the Lutheran World Federation allocated SEK 2 million annually, most of it to church-related projects in Namibia, but some also to SWAPO. Save the Children provides funds for refugees and most political youth organisations run campaigns for SWAPO. The same applies to student organisations, for example, fund-raising for textbook printing.

A number of Danish solidarity organisations and groups are active in support of SWAPO through information campaigns, publications, fund-raising, collections of clothes, medicine and so on. NGOs, such as the Danish National Committee of WUS and Danish Church Aid, base their activities mainly on grants from the special government-funded AAVA but also do some private fund-raising. In 1983, for instance, Church Aid raised DKK 150 000 for a kindergarten and school in Namibia.

WUS operates, in consultation with the UNHCR, educational and health programmes for refugees in Angola as well as a scholarship programme for Namibian students. The main type of activity of Church Aid is an educational programme in Namibia itself.

The Labour Movement Solidarity Fund and the National Union of Unskilled and Semi-Skilled Workers in Denmark have both contributed financially to the liberation struggle. The Federation of Trade Unions is active internationally through the ICFTU, although not specifically in Namibia.

The National Committee for South Africa Action, also in Denmark, works in direct support of the National Union of Namibian Workers (NUNW).

A number of books, newsletters, colour slides series and so on have been produced in recent years by, among others, the Danish Association for International Co-operation and the Development Aid from People to People (DAPP). The latter is rather unique in structure and volume of activity as far as assistance to SWAPO is concerned. In 1982, DAPP established a Namibian Vocational Training School in Denmark and since then 100 students from the Kwanza Sul settlement have undergone one-year basic courses to become teachers, electricians, weavers, mechanics, farmers, water technicians and tailors. The organisation has also shipped a wide range of supplies at a total value of DKK 35 million to Namibian refugee settlements in Angola. Supplies include two mobile

workshops, a water drilling rig, trucks, ambulances, hospital equipment and so on. By mid-1984, DAPP planned to start a 'Front-line Institute' in Denmark with students from the front-line states and SWAPO.

In Norway, solidarity organisations, notably the Norwegian Council for Southern Africa and the Namibia Association, have been active in supporting SWAPO in various ways. The former has for a great number of years been involved primarily in information work by producing written material and organising public meetings and conferences, and has done some fund-raising as well. It has also acted as a pressure group on the government.

The Namibia Association at Elverum was started in 1980, but in its short history it has managed to mobilise virtually the entire local community in an impressive effort to collect second-hand clothes and bicycles; to produce writing pads and protein biscuits; and to disseminate information on the liberation struggle in Namibia. Since its launching, the Association is estimated to have despatched supplies worth in excess of NOK 8 million. In addition, a new project has been initiated involving purchase of a printing press and training of Namibians selected by SWAPO. Sixteen trainees were undergoing training in Lusaka in 1984. Educational activities and projects account for the bulk of the Association's work. Teaching material has been produced, and language and textile instructors have been at work in the refugee settlements. Most recently, a larger project has been developed involving the construction of a SWAPO secondary school in Congo (Brazzaville) estimated to cost NOK 32–51 million. The bulk of these funds emanate from the Ministry of Foreign Affairs.

The Norwegian People's Relief Association is supporting a joint SWAPO and ANC health education project training people in preventive medicine and first aid. Courses are run continuously and to date fifty-four trainees have completed the course at a cost of NOK 3 million. The International Solidarity Committee of the Norwegian Labour Movement has contributed cumulatively in the neighbourhood of NOK 400 000 to date for SWAPO projects, including a recent grant in 1983/84 of NOK 125 000.

## CONCLUSION AND POSTSCRIPT

The above exposition of Scandinavian policies and actions in respect to Namibia reveals some disturbing contradictions. On the political level, in the UN and elsewhere, all Scandinavian governments denounce



the South African illegal occupation of Namibia, and support SWAPO's struggle materially. Yet, on the economic level, investment, shipping and trading links are allowed to persist, thus contributing to the continuation of the very same occupation that is denounced politically. The distance between words and deeds seems very far indeed.

Considerable developments have taken place in terms of policy changes by the Scandinavian governments since mid-1984. The Nordic Programme of Action of 1978 has been expanded. The Swedish law prohibiting new investments in South Africa and Namibia has been amended to the effect that it now also covers financial leasing. Denmark has introduced a legal investment ban similar to that of Sweden. Both Norway and Sweden have imposed restrictions including trade licensing and/or partial bans on the importation of selected commodities from South Africa. Denmark has imposed a total trade boycott on South Africa as from 15 June 1986, including the prohibition of transportation of goods on Danish ships to and from South Africa. The air connection to Johannesburg by the Scandinavian Airlines System (SAS) has been discontinued.

No ban has been imposed, however, by the Norwegian government on the transportation of oil to South Africa on Norwegian-owned ships. Instead, a 'voluntary' system of registration of calls at South African ports has been instituted, but this falls short of a law requiring such registration as originally proposed.

The solidarity movements in all three countries have expanded and stepped up their support activities, thus being instrumental in bringing about the above policy changes on the part of their respective governments. The high volume of material support by Scandinavian governments and solidarity organisations (in terms of money or collections of clothes and other items) to the liberation movements and victims of apartheid has remained constant, if not somewhat increased.

## NOTES

- \* An earlier version of this chapter was presented as a paper to a seminar on the Role of Transnational Corporations in Namibia, held in Washington, DC, 1982. The view expressed are those of the authors and do not necessarily reflect those of the organisations to which the authors are affiliated. This chapter draws on a previous publication by Hans-Otto Sano et al., *Namibia and the Nordic Countries* (Uppsala: Scandinavian

Institute of African Studies, 1981). Besides updating facts and figures, the present chapter devotes more attention to the solidarity movement and also to the 1979 Swedish ban on new investments in South Africa and Namibia. The term 'Scandinavia' denotes a geo-political grouping which includes Denmark, Norway and Sweden. It should be distinguished from that of the 'Nordic countries' which include Finland, Iceland and the Faeroe Islands as well.

1. Quoted from General Assembly Resolution 37/233A regarding the Situation in Namibia resulting from the illegal Occupation of the Territory by South Africa, voted upon on 20 December 1982.
2. Message by the Nordic countries to the United Nations on Namibia Day 1982.
3. Nordic Explanation of Vote on the Question of Namibia, 10 December 1982.
4. Nordic Explanation of Vote on the Question of Namibia, 2 December 1983.
5. Information is derived from the official Commission of Inquiry published as *Forbud mot investeringar i Sydafrika* (Stockholm: Liber Forlag, 1978) which laid the basis for the investment ban; and from a publication by the Isolate South Africa Committee, *Sydafrikalagen 3 ar. Lagens tillkomst, innehall, tillampning och brister* (Stockholm: ISAK, 1983).
6. Figures for investment volume for the period 1977-79 are not available.
7. Background material on the law provided by the Swedish Ministry of Foreign Affairs covering developments through 1983. The figures given were recorded in South African Rand.
8. Report from the National Conference for Sanctions Against Apartheid and Solidarity with the Liberation Struggle in Southern Africa, 12-13 November 1982. Quotation unofficially translated by the authors.
9. *Svensk Sydafrika Politik* (Stockholm: Liber Forlag, 1984).
10. Data supplied by the Swedish International Development Authority (SIDA).
11. Data supplied by the Norwegian Ministry of Foreign Affairs.
12. Data supplied by the Danish Ministry of Foreign Affairs.
13. Information provided by SIDA and the Finnish Ministry of Foreign Affairs.
14. The exchange rate was as per 30 May 1984 FIM 5.90 to the US dollar.

## Appendix

### Text of the Swedish Act on Prohibition of Investments in South Africa and Namibia (unofficial translation)

It is hereby directed that:

#### §1

A Swedish juridical person may not:

- 1) against compensation require a business operated in South Africa or Namibia nor part of such business;
- 2) against compensation acquire a share or interest in South African or Namibian company nor a bond or other instrument of debt issued by such

company and intended for its general business operations, contribute money or other property intended for use in its operations, contribute money or other property intended for use in its operations; give such a company or a monetary loan or other credit with maturity of more than two years, or give security for such company's debts with maturity of more than five years;

- 3) by action or omission to take action to conduce to a measure as stated in 1 or 2 being taken by an alien subsidiary company;
- 4) by action or omission to take action to conduct to the acquisition of fixed assets in a South African or Namibian subsidiary company. By subsidiary company is meant a juridical person over whom, through possession of a share or interest or through agreement, a Swedish juridical person directly or through other juridical person has a controlling influence and a significant share in the result of the operations.

## §2

A Swedish juridical person who himself or through an alien subsidiary company operates a business in South Africa or Namibia shall annually draw up a plan of investments for the subsidiary company or business, with indication of financing methods. The government is empowered to issue further instructions concerning such a plan.

## §3

A Swedish juridical person who himself or through an alien subsidiary company operates a business in South Africa or Namibia shall annually submit to the government of his operations in these countries in respect of production, turnover, number of employees, investments made and other factors of significance for ensuring compliance with this Act. The government is empowered to issue further instructions concerning such reporting.

## §4

The government may in a given case allow exemption from §1. Such exemption may, however, relate solely to a Swedish juridical person who, on entry into force of this Act, himself or through an alien subsidiary company conducts business in South Africa or Namibia. Exemption may be allowed for a particular investment or for investments in a particular company during one year. Exemption may not enable the applicant to extend his operations in South Africa or Namibia.

A permission for exemption may be withdrawn or altered if the information on which it was based is incorrect.

## §5

Notwithstanding §1 the government may entitle a Swedish juridical person, who prior to the entry into force of this Act has engaged not to extend his operations in South Africa or Namibia, until further notice to replace a fixed asset that is obsolete or has been sold or lost. The entitlement may be withdrawn if the operations are extended or otherwise if special reasons exist.

## §6

A person guilty of infringement of §1 shall be liable to a fine or imprisonment for at most two years, if the offence was intentional, or to a fine or imprisonment

for at least six months if the offence was committed through gross negligence. Minor offences shall not be punishable.

No penalty shall be imposed for instigation to or complicity in an offence under §1.

A person guilty of omission to fulfil his obligation under §2 or 3 shall be liable to a fine.

§7

A Swedish citizen abroad who, as representative for a Swedish juridical person, has infringed §1 shall be judged according to this Act and before a Swedish court of law, even if chap. 2, §2 or 3 of the Penal Code is not applicable.

§8

The yield from an offence against this Act shall be declared forfeit unless this would manifestly be inequitable.

Property which has been used as instrument in infringement of this Act may be declared forfeit if so require for prevention of infringement or otherwise if special reasons exist. The same applies to property which has been the subject of dealings constituting an infringement of this Act. Instead of the property its value may be declared forfeit.

§9

Prosecution of an offence against this Act may be brought only by ordination of the government or by a person empowered by the government.

This Act enters into force on 1 July 1979.

# 7 British Economic Involvement in South African-Occupied Namibia: 1845–1986

Alun R. Roberts

## EARLY DEVELOPMENTS: THE ROLE OF STANDARD BANK AND THE SOUTH WEST AFRICA COMPANY

Britain's earliest phase of relatively large-scale trading operations in Namibia dates back to the early 1840s. Shortly after its recognition as a valuable fertiliser commodity, British merchants commenced the exploitation of guano (bird excrement) from Ichaboe Island, one of Namibia's several offshore islands which forms part of its territory. One report indicates that this early exploitation led in 1845 to 'a stampede of gold rush proportions', with over 450 ships moored off the island on one particular day, landing approximately 6000 labourers to remove the guano. Between 1845 and 1848 over 200 000 tons of guano were exported, providing a capital return of around R4 million and leaving Ichaboe island stripped completely bare.<sup>1</sup> Deposits from Namibia's other offshore islands were the target of similar exploitation.

Not long after British merchants began exploiting Namibia's guano deposits, other British commercial interests entered the south-west African territory. Two of the earliest operators which developed interests in Namibia were the then Standard Bank of British South Africa, formed in 1862, and the South West Africa Company, incorporated in London in 1892. The first commercial operations of the Standard Bank in Namibia took place between 1883 and 1914. Later, the articles of the bank were amended, deleting 'British' from its name, enabling the Standard Bank of South Africa to undertake business outside the British colonial jurisdiction.<sup>2</sup> Between 1914 and 1918, the period during which South African military forces invaded the territory at the request of the British, to terminate Germany's ruthless colonial administration at the outbreak of the First World War, the operations of the Standard Bank of South Africa were formally established in Namibia. From that time

up to 1961, the bank's commercial business in the territory was conducted as an integral part of the operations of The Standard Bank of South Africa. While this business structure continued for approximately forty-three years, in 1962 the bank changed its name to The Standard Bank Ltd, transferring its South African-based operations to a subsidiary established under its former name which maintained responsibility for the bank's business in both South Africa and Namibia. The more recent activities of the bank since the early 1960s and its association with South Africa's administration of the territory are documented more fully below.

The involvement of the South West Africa Company (SWACO) followed from its establishment in 1892. It immediately acquired the rights of a mining concession located in the north-north-eastern area of Namibia which was in the possession of the then German colonial administration. While the capital invested in the concession was increased to approximately £2.0 million a short time later and provided mining rights over an area of 22 000 square miles, the interests of SWACO at that stage were focused upon the acquisition of land and property, rather than mineral prospecting and mining development.<sup>3</sup> This fact is made clear by its 50 per cent acquisition of the Hanseatic Land and Mining Company in 1895 and the Kaokoveld concession, totalling over 35 000 square miles in north-west Namibia, purchased from the Deutsche Koloniale Gesellschaft (German Colonial Organisation) in 1896.<sup>4</sup>

In 1900, SWACO became involved in developing the infrastructure of Namibia when it participated in establishing the German-owned Otavi Minen und Eisenbahngesellschaft (OME). The purpose of OME's formation was to build a railway line from the north-east of Namibia to the coastal port of Swakopmund in order to assist the mining production and transportation of copper deposits from the Tsumeb mine, located approximately 250 miles north of Windhoek, Namibia's capital. The Tsumeb deposit was within the original 22 000 square mile concession acquired by the company on its formation and, following completion of the narrow gauge railway track, the first exports of copper from the mine through Swakopmund commenced in about 1906. The development of the railway and copper mine resulted in an area of just 1000 square miles, including Tsumeb, being designated by SWACO to OME in return for a 25 per cent share of all mining profits. The value of the return can be appreciated from the mine's production output of approximately 2.5 million short tons of base metal ore (copper, lead and zinc) between 1907 and the termination of its operations in 1940.<sup>5</sup>

With the establishment of the South African administration in Namibia during 1920, SWACO's mining rights over its 22 000 square mile concession in the north-north-eastern area was formally recognised and extended up to 1936. Consequently this period saw the company's prospecting activities expand and, as a result, the Berg Aukas mine located twenty miles east of Grootfontein was brought into production in 1924.<sup>6</sup> It was this operation which secured SWACO's entry as a base metal mining operator, supplementing its initial venture at the Abenab vanadium mine located a short distance north. It was through these operations, together with other smaller deposits, that SWACO became the only company producing vanadium in Namibia.

The mining rights of SWACO over its original concession were further extended by the South African administration from 1936 until 1941, at which point it was extended again for a further five years but restricted to a 3000 square mile area in the Otavi mountain region. During the same period, a new prospecting grant was obtained for the Brandberg region in the central-western area of the territory, and in 1942 the Brandberg West mine (tin) was brought into production.<sup>7</sup> Estimates of the total value of base metals produced by SWACO between 1921, when it commenced mining operations, and 1945 indicate that approximately 52 000 long tons of lead vanate was extracted, with a value of about R2.5 million.<sup>8</sup>

In 1947, following the end of the Second World War, SWACO secured 95 000 shares, representing a 2.5 per cent interest, in the formation of the Tsumeb Corporation. The latter company was formed by two United States and four United Kingdom and South African-based companies for the purpose of consuming the total assets and property from the Custodian of Enemy Property in South Africa of the OME company. Since 1907 SWACO had been receiving a quarter of all profits from the Tsumeb mine. In 1948, to enable further prospecting operations to be undertaken, SWACO and Tsumeb formed the Tsumeb Exploration Company Ltd. In this, SWACO controlled shareholding interests of 25 per cent, while the Tsumeb Corporation held the other 75 per cent.<sup>9</sup>

Together the effects of the Tsumeb Corporation's formation on the operations of SWACO in Namibia were quite significant. First, it enabled it to accrue considerable profits through its interests in the mining operations developed by Tsumeb after 1947. Secondly, it considerably reduced the level of SWACO's mining and prospecting operations, the majority of which were now undertaken through its interests in the Tsumeb Exploration Company.

After approximately sixty years of mining activities undertaken solely in Namibia, the independent status of SWACO changed considerably in the mid-1950s when about 90 per cent of its share equity was purchased by a group of South African and United Kingdom-based mining corporations. This acquisition was led by the Anglo American Corporation of South Africa Ltd, the then British South Africa Company (BSACO) and the London based Consolidated Gold Fields of South Africa Ltd (CGFSA).<sup>10</sup> In 1964 the latter two corporations were renamed, BSACO becoming registered in London as Charter Consolidated, while CGFSA became Consolidated Gold Fields Ltd. Through the eventual merger of its South African mining companies, Consolidated Gold Fields has, in recent years, become one of the leading British-based corporations with group mining interests in Namibia.

#### ECONOMIC DOMINATION: ENTER THE GIANTS OF UK BANKING, PETROLEUM AND MINING

While the Standard Bank of South Africa and the South West Africa Company were early corporate pioneers in the banking and mining sectors of Namibia, between the 1920s and 1940s many other British-based transnational corporations also established operations in the territory. These included such familiar names as Shell Transport and Trading Company which, through its 100 per cent owned subsidiary, Shell Oil South West Africa, commenced petroleum marketing operations around 1920;<sup>11</sup> Barclays Bank Ltd, through its subsidiary Barclays Dominion Colonial and Overseas, which later became Barclays National Bank of South Africa Ltd, commenced banking operations in approximately 1925;<sup>12</sup> and the international mining company, Selection Trust Ltd, which as one of the six companies that formed the Tsumeb Corporation in 1947, acquired a sizeable share interest in its operations.<sup>13</sup>

Although Selection Trust was subsequently taken over by British Petroleum, BP itself was already active in the territory through two other business operations: its 50 per cent share holding in Shell and BP South Africa Petroleum Refineries, based in Durham, which commenced refining operations for petroleum used in Namibia in 1960; and its 100 per cent ownership of BP Southern Africa, responsible for marketing and distribution in both South Africa and Namibia.<sup>14</sup>

As far as the insurance, construction and engineering sectors are concerned, the United Kingdom-based Commercial Union Assurance Company, through its 45 per cent holding in the Commercial Union



Assurance Company of South Africa, has operated in the territory since about 1964.<sup>15</sup> Mitchell Cotts, the international transport, trading and engineering company, whose South African civil engineering subsidiary, Fraser Chalmers, became involved in the early 1960s, is another leading operator.<sup>16</sup>

With regard to the mining sector, the most recent involvement is through the London based mining giant, Consolidated Gold Fields which, in 1984, through its group of companies indirectly held significant mining investments. This was as a result of its 48 per cent held subsidiary, Gold Fields of South Africa Ltd acquiring, in 1982, the 29.6 per cent share-holding in the Tsumeb Corporation Ltd, which until then had been held by the United States-based American Metal Climax Incorporated. Since that time, Gold Fields South Africa has increased its interest to 42.3 per cent, making it, by the end of 1984, the largest single shareholder in the base metal mines operated by the Tsumeb Corporation.<sup>17</sup>

Although it may not be the most recent British company to establish operations in Namibia, the involvement of the mining and finance corporation Rio Tinto-Zinc (RTZ) has from its commencement been surrounded in controversy as great, if not greater, than any other corporation with operations or interests in Namibia or South Africa. The involvement of the corporation resulted from the mining rights which it was able to secure in the mid-1960s to the huge uranium deposits at Rossing, about 120 miles west of Windhoek, near to the coastal town of Swakopmund.<sup>18</sup> Recognising the economic potential of the deposits, for which it had attracted investors from other mining and industrial companies in Western Europe, North America and South Africa, in 1970 RTZ established Rossing Uranium Ltd as a subsidiary company to manage the vast mining operation. However, before any uranium ore could be processed, significant international developments had begun to take place. As is widely known, these developments affected the operations and interests of all transnational corporations and other concerns operating in, or trading with, Namibia.

## **UK FOREIGN POLICY TOWARDS NAMIBIA: THE ROSSING FACTOR**

By 1966, Namibia had been brought under the direct administration of the United Nations; the General Assembly, having terminated South Africa's mandate of administration following consistent violation of its

terms and provisions, in 1967 established the United Nations Council for Namibia as the territory's legal administering authority. Of particular significance was the advisory opinion of the International Court of Justice of 1971, requested by the Security Council, which concluded that the General Assembly had acted within its competence and authority in terminating South Africa's administration. Against the background of these developments, however, the economic interests of the United Kingdom in Namibia had become both larger and considerably more strategic. The Labour government under Prime Minister Harold Wilson between 1968 and 1970 entered into a long-term agreement for the supply of 7500 tons of uranium from Namibia. The uranium was to be supplied from the RTZ-controlled Rossing mine for use by the State-owned British Nuclear Fuels Ltd (BNFL), between 1977 and 1984.<sup>19</sup> Although authority for the development of Rossing Uranium Ltd originated from the South African government, which after 27 October 1966 was invalid, the statement of the Labour government in December 1974, which followed its policy review on Southern Africa, completely disregarded the United Nations decisions of Namibia. In particular, the government dismissed the administering authority of the UN Council for Namibia and the validity of its Decree No. 1 for the Protection of the Natural Resources of Namibia, enacted by the Council on 27 September 1974, which prohibited the mining, removal and use of any of Namibia's natural resources without the prior consent and permission of the Council. The position of the United Kingdom government was that the General Assembly did not possess the authority to terminate the mandate and, consequently, the United Kingdom was 'unable to accept' the reasoning of the International Court's 1971 advisory opinion or its legal conclusions.<sup>20</sup> These supported the October 1966 decision of the General Assembly, as expressed in Resolution 2145. It is difficult to believe that the content of the Labour government's policy review was not influenced by the contract for supplies of Namibian uranium. The circumstances of the contract, the agreements, and negotiations are still matters which remain unclear. It is obvious, however, that the policy statement of 1974 represented a marked change from that expressed in 1966 at the time of the General Assembly's termination of the mandate. During the debate to end the mandate, the United Kingdom government proposed that member States of the United Nations should 'act together not by words alone, but by considered and deliberate action'. Such action was necessary 'to enable all the people of the South West Africa to proceed to free and true self-determination'. The United Kingdom government

in 1966 had no doubt that 'the rights of the South African government under the mandate have terminated'.<sup>21</sup>

The policy position adopted by the United Kingdom government in 1974 was significant in that the government asserted that South Africa remained the *de facto* administering authority. This has remained the position of the British government under the Conservative administration of Margaret Thatcher, who was elected Prime Minister in 1979 and re-elected in 1983 and 1987.

In addition to its supply of uranium from the RTZ-Rossing operated mine, Britain's economic interests in Namibia are represented by many other companies. In fact, there are more United Kingdom-based transnational corporations in Namibia than from any other Western State.<sup>22</sup> Until late 1986 these British companies included the operations of both Barclays and Standard Chartered banks. In November 1986, however, Barclays announced that it was selling its operations in South Africa (but was not terminating its membership of the financial and technical committee, established to renegotiate South Africa's debt). Its decision to dispose of its interests, however, also applied to its operations in Namibia.<sup>23</sup> Its banking business in the territory had been conducted through its South African subsidiary, Barclays National Bank, the largest bank in the Republic. Consequently, the operations of Standard, with just over thirty-nine branches throughout the territory, will become the major international banking company operating in Namibia by 1987. Even before this development, however, Standard had already taken an unprecedented step in providing recognition and support for South Africa's illegal administration of the Territory. As a result of the merger in 1978 of the Standard and Chartered Banks, the new company of Standard Chartered decided to establish a completely separate subsidiary – Standard Bank South West Africa – in Namibia.<sup>24</sup> The establishment of that subsidiary implied a clear recognition by Standard of South Africa as the legitimate authority for Namibia. Although the year of its establishment was the same year in which South Africa agreed to the United Nations plan for Namibia's independence, as contained in Security Council Resolution 435 of 29 September 1978, South Africa was once again about to disregard the UN's authority. Despite its agreement on Resolution 435, the South African government ignored the plan and proceeded instead with its own internally-organised Namibian elections in December 1978, which were condemned by the Security Council and went unrecognised by the international community. While Standard Chartered's decision to establish a subsidiary in the territory was reportedly in order to

prepare for Namibia's eventual independence, the fact remains that South Africa's action was clearly intended to prevent a lawful government from being elected. Its action and disregard for the UN plan did not, and has not, caused Standard Chartered to terminate its Namibian subsidiary, which continues to operate under South Africa's latest unrecognised puppet administration in the form of the so-called Multi-Party Conference, established in June 1985.

Although Barclays did not follow the decision of Standard, its association with the South African occupation of Namibia has been equally controversial. In 1976, Barclays National Bank purchased R10 million of South African Defence Bonds issued by the Pretoria government specifically to raise financial support for South African military forces, including those involved in the occupation of Namibia.<sup>25</sup> This decision resulted in the Senior International Manager of Barclays in London being summoned to the Foreign Office to discuss the matter. As a result, the Bonds were disposed of one year later in 1977.<sup>26</sup>

Further United Kingdom corporate support for South Africa's military occupation was exposed in 1980, when a confidential document was leaked to the press describing a secret 'security scheme' established by the RTZ-controlled Rossing Uranium Ltd to defend its vast uranium mine against civil or labour unrest, or 'terrorist attack'. The document made clear that as part of the security scheme, twenty-four automatic rifles, four automatic machine guns, hand grenades and supplies of tear-gas were available for use by Rossing's security personnel inside the mining site. Should reinforcements be required, the document also described a special communications link to a South African 'commando' unit, which could be called immediately if any 'attack' took place.<sup>27</sup>

With more of its companies operating in Namibia than any other Western State (excluding South Africa)<sup>28</sup> the United Kingdom continues to bear a heavy responsibility for South Africa's continuing illegal administration. This administration is maintained through the presence of over 100 000 South African military personnel,<sup>29</sup> supplied to a large extent with fuel from subsidiaries of British-based petroleum companies.

As a member of the now defunct Western Contact Group negotiating with South Africa over the future of Namibia, it is clear that the United Kingdom has not been an impartial mediator in regard to Namibia's long overdue independence. Indeed, one might ask whether the United Kingdom has any credibility as a party to deal face to face with South Africa in seeking Namibia's independence on the basis of Security Council Resolution 435. The fact is that no pressure whatsoever was applied by the Contact Group upon South Africa to terminate its

occupation of Namibia. Furthermore, the voting record of the Contact Group of States, including the United Kingdom, on Security Council resolutions have tended to encourage South Africa's actions in Namibia. Since the Labour administration's policy review of southern Africa in 1974, the position of the United Kingdom government consistently has been that it '[does] not accept an obligation to take active measures of pressure to limit or stop... industrial relations of our nationals with the South African administration of Namibia'.<sup>30</sup>

### THE STRUGGLE TO END UK ECONOMIC INVOLVEMENT IN SOUTH AFRICAN OCCUPIED NAMIBIA

The position of the United Kingdom government in refusing to take measures to 'pressure' British-based corporations against operations or investments in South Africa occupied Namibia is not a position shared by the British public. In two specific areas, the involvement of British-based banks and mining companies in Namibia, public pressure for the termination of such operations has been continuously brought to the attention of the companies concerned and to the government.

One of the earliest forms of pressure was the shareholder action at the Annual General Meeting (AGM) of the Rio Tinto-Zinc Corporation in 1973. The action saw over thirty shareholders confront the then Chairman, Sir Val Duncan, with a series of questions, most of which strongly criticised the corporation's decision to commence mining operations in Namibia in violation of the many decisions of the United Nations and the 1971 advisory opinion of the International Court. The shareholders made it clear that such operations directly supported, and could only be undertaken in co-operation with the illegal South African administration. The Corporation did not allow such criticism to interfere with their investment of approximately £120 million to bring the Rossing mine into operation.<sup>31</sup> But every year since 1973 the Chairman and directors have encountered detailed cross-examination from shareholders concerning RTZ's involvement in Namibia. At the AGM in May 1975, eight months after the enactment of Decree No. 1, the Chairman left no doubt as to RTZ's view of the decision. Quite simply, the company was 'not prepared to take any notice of what the United Nations says'.<sup>32</sup> In 1977, the late Colin Winter, the exiled Anglican Bishop of Namibia who was expelled from the Territory in 1972, gave an impassioned plea for the corporation to 'consider the moral implications' of its Rossing operation, particularly regarding the

wages and working conditions of its black employees. But the RTZ Chairman's response was that he considered such requests as requiring 'miracles to be performed in terms of time'.<sup>33</sup> More recently, at the AGM in 1982, the company's support of the United Kingdom's foreign policy on Namibia was fully expressed. Asked to clarify whether RTZ intended to continue dealing with the South African regime until Namibia's independence, as if it were the legal authority of the Territory, the Chairman replied 'we have no alternative'. The company, he claimed, had to obey the laws of the United Kingdom for the reason that 'none of these ... United Nations resolutions ... have been recognised by the British government'.<sup>34</sup> The Chairman revealed that as far as RTZ was concerned, 'normal authority is with the South African government' even though he accepted that South Africa had 'had a mandate on this territory, which was cancelled ... in 1966'.<sup>35</sup>

The efforts of shareholder groups to exert pressure upon RTZ for the termination of its mining operations in Namibia were joined by British transport unions, in particular the NUS (seamen's union) and ASLEF (the train drivers' union). Both the NUS and ASLEF have adopted formal policy at their respective national executive committees in support of United Nations Decree No. 1. The policy decisions requested that their respective union members refuse to handle any cargoes or containers entering, or passing through, the United Kingdom which were known to contain Namibian uranium imported from the RTZ-Rossing mine. The decisions of the NUS and ASLEF resulted from detailed research which, in 1979, eventually led to a determined effort by members of French and British transport trade unions to seize and impede a cargo of Namibian uranium during its transit.<sup>36</sup> The seizure attempt, which was planned on the basis of United Nations Decree No. 1, was to be undertaken at specific locations on route to the uranium cargo's final destination at the British Nuclear Fuels (BNF) Springfields plant, near Preston, in north-west England. As part of the plan, workers at the Charles de Gaulle International Airport in Paris were to intercept a cargo of Namibian uranium. However, an article referring to the planned action was published in a widely-read French newspaper. The article, which was followed by a similar story in a leading United Kingdom Sunday newspaper later in the same week, served to fully alert the respective officials and transport companies responsible for the security of Namibia's plundered uranium in transit.<sup>37</sup> Consequently, the planned action did not take place. Although the seizure plan was cancelled, the intended action resulted in the transportation of Namibian uranium into France by South African

Airways and Unions des Transports Aériens (UTA) cargo aircraft coming to a sudden stop a short time later in late December 1979.<sup>38</sup> A full account of the clandestine transportation network used to deliver the uranium supplies to France and the United Kingdom between 1978 and 1980 was communicated to a mass audience through the British television documentary, 'Follow the Yellowcake Road'. The documentary produced by Granada Television's World in Action programme, was transmitted throughout the United Kingdom in March 1980. A publication, 'The Rossing File' published by the London-based Namibia Support Committee's Campaign Against the Namibian Uranium Contracts, also was released in March 1980 and provided a full account of the involvement of the RTZ, the UK Ministry of Technology, the Atomic Energy Authority, and leading British politicians in the contractual arrangements which secured supplies of Namibia's plundered uranium to the United Kingdom. The delivery of this uranium had commenced in 1977 and apparently continued up to, and possibly beyond, 1984. At the Annual General Meeting of RTZ in 1984, the Chairman was prepared to confirm that contracts for Namibian uranium for use in the United Kingdom were due to end in approximately September 1984. No assurance could be given, however, regarding imports of Namibian uranium for processing and enrichment services for re-export.

Recognition of the importance of coordinated action by transport trade unions led to the organisation, in June 1981, of a West European Trade Union Seminar on the exploitation of Namibia's uranium. The London seminar, organised by SWAPO in cooperation with the Namibia Support Committee (NSC), was attended by representatives of the British-based NUS, ASLEF, Transport and General Workers Union (T&GWU) and the National Union of Railwaymen (NUR), as well as the two largest French trade union federations – the CGT and CFDT, the FNV of the Netherlands, and the International Transport Federation. At its conclusion, the participant trade union representatives recognised the United Nations Council for Namibia as the legal administering authority of Namibia until its independence. They also concluded that Decree No. 1 was binding, and that movements of Namibian uranium should be monitored as a first step towards the Decree's enforcement. Two further national transport trade union seminars followed in Bristol, in April 1982, and London, in July 1983. The resolution adopted at the first of these declared that the responsibility lay with the British trade union movement to secure a 'selected blockade' against imports of Namibian uranium and thereby

to 'do what the UK government has failed to do – give effect to Decree No. 1'.<sup>39</sup> The second seminar, held over fourteen months later, focused attention on the issues involved in securing concerted trade union action. In particular, the seminar discussed the problem posed by representatives of the T & GWU, whose members comprised the majority of the BNF Springfields workforce at the plant to which Namibian uranium imports were delivered for processing. Claiming that it would jeopardise the employment of their members at the plant, the union representatives were opposed to any form of blockade which would disrupt supplies of Namibian uranium to the plant. Although support for the continuation of efforts to end the uranium imports was clearly expressed, it became clear that the position of the T & GWU Springfields representatives posed a considerable problem in consolidating united opposition to the importation of Namibian uranium amongst the four British transport trade unions.<sup>40</sup> Consequently, while the question of the United Kingdom contracts for Namibian uranium, as well as the importation of other natural resources from the territory, has been consistently brought before large sections of the transport trade unions, by the end of 1984 no action to effectively disrupt such imports had been taken.

In 1981, a campaign against the Edmondsons International road haulage company, which had transported Namibian supplies into and through the United Kingdom since 1978, was successful. The local campaign, which was undertaken by the North West Anti-Apartheid Trade Union Liaison Committee in conjunction with the Namibia Support Committee, was initiated in response to the increased involvement by Edmondsons in the exploitation of Namibia's uranium resources. This increased involvement was represented by a request from Edmondsons for planning permission from the local town council authorities in Morecambe, where the company is based, to store the drums containing Namibian uranium at a site close to their road haulage lorry park. The campaign to oppose the planning application focused upon providing members of the town council and local authorities with information on the origin of the uranium concerned, the illegality of the contracts held by the United Kingdom state-owned nuclear utilities, the provisions of Decree No. 1 and its violation by the uranium trading, as well as the health and safety hazards involved for the local community, should the application be successful. The latter aspect was in recognition of the Edmondsons lorry park being located in a residential area, surrounded by houses and in close proximity to the local population.<sup>41</sup>



In February 1982, after several months of consideration against a background of press publicity and information opposing the request, the local authorities rejected the application. The reasons given included the view that the Edmondsons site was inappropriate for the storage of uranium oxide and that reservations had been expressed by members of the local business community. The business leaders felt that such storage was particularly undesirable to the town's holiday trade, Morecambe being a principal holiday resort on the English north-west coast, frequented by large numbers of tourists from northern England and Scotland during the holiday season.<sup>42</sup>

Although action amongst transport trade unions to impede the illegal importation of Namibian uranium has not been possible, considerable opposition to the processing and enrichment of the uranium by British Nuclear Fuels led to direct action being taken in March 1984. This protest action was initiated by a group of approximately twenty-one women peace activists who broke into the site of BNF's Capenhurst plant, near Chester, where uranium enrichment services are undertaken. This protest drew attention to the strategic involvement of BNF in the processing and enrichment of Namibia's uranium and its possible use for military purposes. The women identified a Ministry of Defence building with the Capenhurst site which was specifically erected during the early 1980s to handle uranium destined for military use.<sup>43</sup> The action resulted in nineteen of the peace activists being arrested.

Further attention to the use of Namibian uranium supplies fuelling Britain's nuclear power programme was created through a 'day of action' coordinated by CANUC on 2 November 1984. The workforce of several nuclear plants were informed of the illegal mining of Namibia's uranium at the RTZ-controlled Rossing mine; the contracts regarding its importation and use by BNF and the Central Electricity Generating Board (CEGB); the conditions for workers at Rossing; that the United Nations Council for Namibia was the legal administering authority of the Territory until its independence; and that the Namibian uranium trade was in violation of UN Decree No. 1. Such information was communicated to workers through peaceful pickets, who distributed leaflets at both the BNF Springfields and Capenhurst plants, the main administrative offices of BNF at Risley in Cheshire, and the nuclear reactor site at Chapelcross in Dumfries, Scotland, where plutonium is stockpiled for Ministry of Defence purposes.<sup>44</sup> Two hundred peace activists disrupted access to the BNF Capenhurst plant by sitting down in the access road, while over three hundred women peace activists completely closed down operations at the BNF Springfield plant. At

the Risley site, seventy more workers were addressed by the SWAPO Representative for Information in Western Europe.<sup>45</sup>

As a result of the 'day of action', attention was focused a few months later on the outcome of the first of the magistrates' trials for the nineteen peace activists arrested after occupying the BNF Capenhurst plant in March 1984. The trial, which commenced on 7 November that year, resulted in seven women being fined a total of £1090 for prosecution and compensation costs. These fines were awarded as damages to BNF.<sup>46</sup> In early 1985, however, nine of the women brought to trial by that time had decided that instead of paying the total compensation £550 that they were ordered to pay BNF, they would donate it directly to SWAPO. The payment was made as compensation which they considered BNF would be liable for through claims brought on the basis of United Nations Decree No. 1 by a future lawful government of Namibia under SWAPO.<sup>47</sup> In February 1984, the Chief Representative of SWAPO for Western Europe indicated that over £250 of the compensation payments received had been given to the SWAPO Women's Solidarity Campaign to purchase supplies desperately required by Namibian refugees at camps in Angola and Zambia. The actions of the British Women were commended by the United Nations Council for Namibia through a public statement which expressed its 'great satisfaction' at the stand taken by the women 'to ensure respect for Decree No. 1'.<sup>48</sup>

While the focus of opposition to UK corporate involvement has largely centred on the contracts for, and illegal trading in, Namibia's uranium resources, opposition to the involvement of Barclays and Standard Chartered Banks in Namibia has been through shareholder actions at the Annual General Meetings of each of the banks, held in London each year. Such actions contributed to the considerable pressure applied upon Barclays throughout 1976 to instruct its South African subsidiary to dispose of, at its earliest opportunity, the R10 million Defence Bonds purchased earlier that year which provide funds to South African armed forces occupying Namibia.

Research and public demonstrations led by End Loans to South Africa has further exposed the relationship of Barclays and Standard with South Africa's military forces in the territory. An advertisement in the official armed forces journal *Paratus* in 1981 stated 'If you think Ondangwa is the most distant point from Barclays, think again'.<sup>49</sup> The advertisement referred to a branch of Barclays opening in 1979 at Ondangwa, the site of a South African military camp in northern Namibia, approximately thirty-five miles from the Angolan border. The

relationship of the bank with South Africa's military forces was made clear through the tour of Barclays branches in the military area of northern Namibia by Barclays Chairman, Timothy Bevan, in 1983. A substantial escort accompanied the Chairman throughout his tour.<sup>50</sup> The involvement of Standard with the South African military has been similar to that of Barclays, with several banking branches providing financial services to the South African occupying forces.

Such financial support for South Africa's military involvement in Namibia has been the subject of consistent shareholder questioning at the Annual General Meetings of Barclays and Standard Chartered since 1974. The controversial nature of the financial assistance provided by both banks in maintaining South Africa's apartheid system and its illegal administration of Namibia resulted, in 1981, in a Barclays Shadow Board being established.<sup>51</sup> The purpose of the Shadow Board, whose Chairman, Vice-Chairman and Directors consist of prominent British personalities, was to monitor the activities of Barclays in South Africa and Namibia, where, until the announcement in 1986 that it was selling its operations, it was the largest banking company.

## SUMMARY

Since the United Nations General Assembly terminated South Africa's mandate of administration over Namibia in 1966, United Kingdom-based corporations have assumed a dominant role both in sustaining South Africa's illegal administration and in the plunder and depletion of Namibia's natural resources. No other Western State has had a greater historic involvement in the Namibian economy. As stated above, the acquisition by Gold Fields South Africa (part of the Consolidated Gold Fields group) of 43 per cent of the Namibian-based Tsumeb Corporation by 1984 not only replaced the United States-based Newmont Mining Corporation as its largest shareholder,<sup>52</sup> but also secured indirect UK corporate influence over a major part of the Namibian base metal industry. This acquisition, added to the RTZ-Rossing interest in Namibia's only uranium mining operation, established the United Kingdom as the major party in the Namibian mining industry. At the same time, the former domination of Barclays, continued by Standard Chartered, through their South African and Namibian established subsidiaries, has similarly maintained the strategic position of UK interests in Namibia's banking industry.

The United Kingdom government continues to reject any recognition of the United Nations Council for Namibia's administration of Namibia and its Decree No. 1, thus enabling UK-based corporations to use government policy as a convenient excuse for dismissing questions regarding the illegality of their operations and investments in Namibia. Non-recognition also reduces the possibility for any form of legal action in the United Kingdom by the United Nations Council for Namibia on the basis of its Decree against those corporations exploiting Namibia's natural resources; this being in spite of the decision, in May 1985, of the United Nations Council in Namibia, to institute legal proceedings in the domestic courts of States, commencing with the Netherlands, against corporations and concerns violating its Decree No. 1.<sup>53</sup> Consequently, since the late-1960s, a series of actions, campaigns and consistent pressure against both the British government's policy on Namibia and those corporations operating and investing illegally in the Territory have been undertaken and applied by non-governmental organisations, trade unions, churches, lawyers and parliamentarians. While these have placed the United Kingdom government and the British-based corporations involved in a defensive position, the prospect that such initiatives will achieve any significant degree of change, at least in the near future, are no greater in the late 1980s than they were in the 1970s; that being the occasion on which the Labour government's southern Africa policy review of 1974 retreated from its policy intention, as stated before the United Nations General Assembly in 1966.

In 1978, the Western 'Contact Group' was formed with the apparent intention of securing Namibia's independence through negotiation with South Africa on the basis of Security Council resolution 435 (1978). Before and particularly after that time, however, South Africa has successfully pursued a policy of manipulative diplomacy, conveniently using extraneous issues such as the United States-initiated 'linkage' policy which proposes the withdrawal of Cuban forces from Angola as a prerequisite for Namibia's independence. Such a policy has enabled South Africa to not only continue, but to vigorously increase the momentum of its strategy of military and economic destabilisation of the Front Line States. Its invasion of southern Angola from occupied Namibia, through which it has provided military and other support for the UNITA rebels, is a particular example. Against such a background, at no time in its existence did the Western Contact Group apply any form of pressure against South Africa to end its illegal administration of Namibia, nor has there been any form of direct pressure by any

other Western State. Some words of condemnation have been uttered, but initiatives to enforce full mandatory sanctions through Security Council resolutions have either been vetoed or abstained on by Western States. In this area, the United Kingdom, together with the United States, has been particularly negative. Even initiatives within the European Economic Community in 1986 to introduce limited sanctions measures against South Africa failed to include or propose any sanctions measure in respect to South Africa's occupation of Namibia.

Opposition to the UK government's policy towards Namibia and UK corporate involvement in the Territory has been consistent and expressed by large sections of the British public. However, the failure by Western States to apply any form of pressure upon the government of South Africa to terminate its illegal administration has ensured a free hand for United Kingdom and other Western-based corporations to both sustain South Africa's occupation and continue the depletion of Namibia's irreplaceable natural resources.

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# 8 The United States and Namibia: a Failure of Leadership

Allan D. Cooper

Although Namibia has never constituted an important political or economic consideration for the United States, the latter has come to play a significant role in the diplomatic and commercial history of Namibia. At key junctures in the evolution of Namibia, American leaders or business interests have assumed strategic positions which have had enormous impact on the progress of Namibian nationhood.

This article reviews the history of US relations with Namibia, emphasising the important economic dynamics that have come to influence US foreign policy towards the south-west African territory. Inasmuch as power is often little more than the *perception* of influence, we also will discuss a number of efforts in the United States to mobilise public opinion on the Namibia issue for the purpose of legitimising various policy alternatives.

## AMERICAN COMMERCIAL INTERESTS IN NAMIBIA

America's interest in Namibia dates back to the beginning of the American Revolution when a major source of energy was whale oil. New England fishing companies, having already depleted whale stocks off their own coasts, recognised Namibian waters as the largest concentration of whales in the Atlantic Ocean and soon transferred the bulk of their fishing operations to the south-west African coast. By the 1790s, hundreds of American whalers were fishing off the coast of Namibia and had set up some of the earliest commercial establishments in the Namibian ports of Walvis Bay and Swakopmund.<sup>1</sup>

These initial fishing interests eventually opened up commercial opportunities with Namibian cattle traders who would frequent their coast to conduct business with Americans and European whalers and merchants. When Americans joined their European counterparts in exploring the interior of Namibia, they discovered that the territory was rich in minerals and diamonds. By the mid-1800s, several Americans



had established extensive trading networks with Namibian merchants and some Americans even called on the US Government to formally colonise Namibia.<sup>2</sup> But, as important as these commercial ties may have been to Namibia, they were never of great interest to the US Government, and Washington turned a deaf ear on all proposals to colonise Namibia.

American trade with Namibia continued during the era of German colonisation from 1883 to 1915, and the United States eventually accounted for 7 per cent of Namibia's exports. While this trade may seem insignificant, it is important to point out that under German colonisation, Namibia was sending 82 per cent of its exports to its European ruler.<sup>3</sup>

The transfer of Namibia to South African rule marked the beginning of significant US-based transnational corporate involvement in south-west Africa. No sooner had South Africa occupied Namibia than cargo ships initiated direct trade routes between New York and Swakopmund.<sup>4</sup> By the end of the First World War, it was clear that American capital was going to be essential for South Africa's own industrialisation, much less Pretoria's plans to restructure Namibia's economy. Great Britain, the traditional trading partner of South Africa, was greatly weakened by the War. Britain emerged from the War with enormous war debts and anti-Empire protests in India, Ireland and Egypt. By the time the League of Nations was established, New York had overtaken London as the world's greatest port, and Americans controlled and managed the largest mines in South Africa. By 1924, the United States dominated almost every field of foreign trade with South Africa.

It was through South Africa that US-based companies made their first major inroads in to the Namibian economy, and this remains the case today. In the 1920s, a number of American transportation companies entered Namibia. Automobiles such as Chevrolet, Ford, Dodge and Chrysler made their way to white settlers in Namibia, and tyre manufacturers, such as Goodyear, were advertising their products in local Namibian newspapers. Mobil Oil was becoming a household name in Namibia in the 1920s, and US shipping companies, such as Farrell Lines and Robin Lines, were providing direct trade routes between New York and Walvis Bay.

While Americans played an influential role in the early development of the Namibian whale and karakul industries, perhaps the most significant field of exploitation was mining. Namibia was known to be a rich source of minerals long before the Germans colonised the territory, but it was only after the Germans were forced out that

Namibia's true wealth was discovered. In the 1920s, American mining companies began prospecting extensively for copper in Namibia, and, by the early 1930s, Americans had assumed control over the assets of the Cape Copper Company which reportedly produced most of Namibia's copper.<sup>5</sup>

After the Second World War, American mining interests took control over Namibia's Tsumeb mine, the largest concentration of lead, zinc and copper in Africa. In 1947, a consortium led by Newmont Mining Corporation and American Metal Climax (AMAX) acquired the mineral rights to the Tsumeb mine for about \$4 million. The consortium, called the Tsumeb Corporation, had minority participation by British and South African shareholders and soon became one of the most profitable mines in the world. The annual average rate of return on the initial investment has been estimated at 347 per cent for every year between 1954 and 1974.<sup>6</sup>

Soon after the Tsumeb Corporation opened the Tsumeb mine, the American managers realised that an extensive labour contract system would have to be organised in order to provide the necessary manpower requirements of the mine. The company approached the South African administrative authorities in Namibia for permission to recruit Ovambos from northern Namibia to come to Tsumeb with their families. The South Africans denied the request, fearing such migrations would decentralise the Ovambos and make it more difficult for Ovambo chiefs to exercise control over this group.<sup>7</sup> Later, Tsumeb was allowed to recruit Ovambo men to the mine for a period of eighteen months. Each worker was required to spend six months back in Ovamboland between contracts. In 1960, the Tsumeb Corporation, believing that the Ovambos would prefer a shorter tour of duty and more frequent returns home, obtained the consent of the South Africans to put a twelve month labour period into effect. And by 1964, unskilled Ovambos were earning up to R0.40 per day at the Tsumeb mine.<sup>8</sup>

Also after the Second World War came US fishing companies eager to transfer their sardine operations from the depressed Californian economy to the untapped pilchard resources of Namibia. In the late 1940s, fish reduction plants were literally picked up in California and reassembled in Namibia, and within ten years Del Monte and Star Kist were providing Namibian fish to American consumers. By the 1960s, so much fish was being processed in Walvis Bay that Del Monte established additional foreign markets for this product, and Star Kist converted the fish meal to pet food for distribution in the United States.

By the late 1970s, the Namibian pilchard resource, once the world's largest, had been depleted and commercial production ceased.<sup>9</sup>

During the 1970s, American products began to proliferate throughout Namibia. For the most part, this expansion of trade derived from US-based subsidiaries in South Africa which were facing an over-developed consumer market inside white South Africa. By the early 1980s, a visitor to Windhoek could walk the streets and feel as though they had never left home. American car rental agencies are conveniently located near Mobil and Caltex gas stations, which are just down the street from the neighbourhood Kentucky Fried Chicken outlet. And for the American tourist looking for that special present to bring back home, downtown Windhoek offers a Toys 'R' Us shop, a Radio Shack, and a Singer distribution center. Altogether, over 150 American companies or products have made themselves available to the white consumers of Namibia.

## US FOREIGN POLICY TOWARDS NAMIBIA

America's foreign policy-makers have always linked Namibia's political affairs to those of South Africa or of other neighbouring countries. For the most part, American officials have treated Namibia as an extension of South Africa's own internal politics. The US Consul in Cape Town has usually overseen US interests in Namibia, and most American products are distributed in Namibia via subsidiaries in South Africa. Since 1980, US policy-makers have linked Namibian independence to circumstances existing in Angola, Namibia's northern neighbour. This linkage issue is based on a desire to see Cuban troops leave Angola before independence can be secured in Namibia. It would seem that over the decades Washington has been unable, or unwilling, to understand the Namibian struggle for independence outside the context of its potential threat to white South Africa or some hypothetical advance of world communism.

Before the Second World War, US policy towards Namibia was undefined, if not non-existent. US commercial interests were expanding in Namibia (and South Africa) and the US seemed to be benefiting from South Africa's mandate to rule Namibia. The US had failed to join the League of Nations after the First World War, so even if the United States wanted to protest at the management of the Namibian mandate, it is not clear whether a forum would have existed to levy such a complaint.

But after the Second World War, the world could no longer ignore the opinions of the US Government, even on such mundane issues as the prospects for democracy in Namibia. After all, the United States was a superpower and its attitudes now had global implications – no matter how misguided those attitudes may be. At the first meeting of the United Nations, South Africa sought permission to annex Namibia. The world community was outraged, and reminded South Africa that the purpose of the League mandate was to prepare Namibia for independence. The Truman administration, however, did not join in this outcry; rather, the US Government merely asked South Africa to postpone the decision on annexation.

It was not until the brief administration of John F. Kennedy that the US began to take a critical look at relations with South Africa. In a debate in 1962 at the United Nations, the Kennedy administration condemned South Africa's refusal to cooperate with the UN on resolving the crisis in Namibia. And in 1963, the US supported a voluntary arms embargo against South Africa imposed by the UN Security Council.

By 1966, Namibia was an international problem of a magnitude that warranted a more defined US policy. When the World Court that year refused to hear a complaint against South Africa's handling of the Namibian mandate, the United Nations was quick to respond. On 27 October 1966, the UN General Assembly adopted Resolution 2145 terminating South Africa's mandate of Namibia. The United States voted to support the measure. Not surprisingly, the white South African Government ignored the UN resolution and continued its (now illegal) occupation of the territory. The Namibian people had their own response to South Africa's rule over their country – SWAPO initiated their first military actions against Pretoria's forces in Namibia.

The coming to power of Richard Nixon represented a setback for any immediate hopes of a US foreign policy that could facilitate Namibian independence. After all, Nixon's new foreign policy architect, Henry Kissinger, was reportedly unable to spell Namibia or to locate it on a map.<sup>10</sup> National Security Study Memorandum 39 (NSSM 39), completed in 1969 at the request of Kissinger, argued that whites are in South Africa to stay and that the only way that constructive change can come about is through them. The Nixon administration decided to play down the Namibia issue without altering the US legal position that South Africa's occupation of Namibia is illegal.<sup>11</sup>

By 1970, another legal claim concerning Namibia was before the World Court. The general prognosis was that the UN's termination of

the mandate in 1966 would be upheld by the Court, perhaps in a decision encompassing more stringent demands on UN members to disassociate themselves from South Africa's occupation of Namibia. In May 1970, the Nixon Administration issued a foreshadowing policy, proclaiming that the US Government would begin to discourage new investments by US nationals in Namibia. US businesses that had invested in Namibia following the adoption of UN Resolution 2145 (1966) would not receive US Government assistance or protection against claims of a future lawful government in Namibia.

According to Elizabeth S. Landis of the UN Council for Namibia, this 'discouragement' policy never consisted of anything more than a form letter distributed by the US State Department to companies already investing in Namibia. Meanwhile, the Internal Revenue Service continued to allow US corporate income tax credits to American investors who paid taxes to the South African administration in Namibia.<sup>12</sup>

In June 1971, the International Court of Justice finally released its expected decision. The Court ruled that the United Nations had the lawful right to terminate the Namibian mandate, thus rendering South Africa's continued occupation of the territory to be illegal. The Court also required that all UN members refrain from any activity that would imply recognition, or support, of South Africa's presence in Namibia.

In 1974 the UN Council for Namibia issued the Decree for the Protection of the Natural Resources of Namibia. The continuing operation of US companies in Namibia apparently played a major role in the creation of the Decree. Speaking before an association of New York attorneys, Sean MacBride, UN Commissioner for Namibia, explained that

States should recognise that the Republic of South Africa has no valid authority to issue permits, concessions, licenses, mining or prospecting rights, etc. (The US) Government has gone further than any other major trading partner of South Africa to act on this obligation by publicly announcing that it would not support the claims of post-mandate American investors against action by any future lawful Namibian government. It has not yet, however, indicated any doubt as to the validity of title currently granted by the South Africans for the export of Namibian natural resources, particularly of minerals, which are being exploited for the benefit of South Africa and can never be replaced.

For that reason the Council for Namibia has issued a Decree, approved by the General Assembly, making it unlawful to exploit

any Namibian natural resource without a license from the Council, or the Commissioner acting for it.<sup>13</sup>

Still, the US Government continued to allow US corporate investments in Namibia. Within months of MacBride's policy announcement, the US Senate defeated legislation which would have denied US corporate income tax credits to American companies operating in Namibia. The US House of Representatives also defeated legislation which would have prohibited federal contracts to firms not enforcing US fair employment practices in Namibia and South Africa. And in October 1974, the United States joined France and Britain in vetoing a UN Security Council resolution to expel South Africa from the United Nations. This triple veto was repeated in June 1975, when the UN Security Council attempted to impose an arms embargo against South Africa to force Pretoria to end its illegal occupation of Namibia.

Under the Carter Administration, US policy toward Namibia evolved into more obfuscating contradictions. In 1977, Carter created the Western Five/Contact Group; together with Canada, Britain, France and West Germany, Carter attempted to use shuttle diplomacy to keep negotiations alive between South Africa and SWAPO. The following year, South Africa agreed to UN Resolution 435 which set a framework for internationally-supervised elections in Namibia. But at the same time, Secretary of State Cyrus Vance began suggesting that Angola persuade SWAPO to negotiate a settlement with South Africa. This would end South Africa's troop deployment on the Angolan border and therefore eliminate the need for Cuban troops in Angola. The Contact Group's negotiations with South Africa broke down in March 1979, after Pretoria refused to comply with UN demands for a cease-fire. Following the election of Ronald Reagan in 1980, both Washington and Pretoria began declaring that future movement on the Namibia issue must be preceded by a Cuban military withdrawal from Angola. This 'linkage' policy continued to thwart diplomatic progress on Namibia throughout the Reagan administration.

## AMERICAN PROTESTS OVER NAMIBIA

The American anti-apartheid movement has never devoted much attention to the Namibia issue. For the most part, the movement grew out of an anti-colonialism sentiment during the late 1960s while the Vietnam War was still being fought. Student groups formed around

major colleges (especially those that possessed African Studies programs) in cities such as Boston, Chicago, New York, Madison (WI) East Lansing (MI), Baltimore, San Francisco, Los Angeles and Philadelphia. Accompanying these groups were lobby groups such as the American Committee on Africa (New York) and the Washington Office on Africa. Most of these groups organised issue-oriented campaigns relevant to those independence struggles that were most near completion – first Mozambique, then Angola and Zimbabwe. In only one community was there an anti-apartheid group specifically aimed at promoting Namibian independence – the (San Francisco) Bay Area Namibia Action Group (BANAG). BANAG existed for about two years in the mid-1970s and was responsible for organising nationwide attention to the role of the Del Monte Corporation in the exploitation of Namibia's fishery resources.

By the mid-1970s, the divestment campaign was just beginning. Gary (Indiana) had passed a resolution encouraging the city to end economic relations with South Africa, and this was followed in 1976 by America's first actual divestment bill being passed in Madison (Wisconsin). By the mid-1980s, over thirty cities had passed some form of divestment ordinance, several states had done likewise, and over fifty universities had also established divestment policies. Almost all of these divestment policies were directed against South Africa's system of apartheid; only a few ever incorporated the Namibia issue even though these investments had been declared a violation of international law in 1971.

The anti-apartheid movement in the United States has always had some difficulties in being able to grow into a national movement. First, there exists much ignorance about the African continent, much less specific independence struggles. The image of Africa has been distorted by such media representations as 'Tarzan' movies and *National Geographic* specials on remote, extraordinary ethnic groups. These misleading images have exacerbated racial relations in the United States, causing even many Africa-Americans to separate themselves from African issues for fear of being associated with 'primitive' or 'backward' stereotypes. Finally, the expansive size of the United States has inhibited efforts to coordinate anti-apartheid activities. All of these factors have contributed to the organisation of an anti-apartheid movement that is very decentralised, predominantly segregated by race, and without nationally-recognised leaders.

By the late 1970s, the American anti-apartheid movement was beginning to assume new strategies for building a nationwide network of anti-apartheid activities. Following the appointment of Andrew Young

and, later, Donald McHenry to the post of UN Ambassador, African-Americans claimed more visible roles in influencing US foreign policy towards Africa. In the late 1970s, TransAfrica was formed by Randall Robinson and other African-Americans to serve as a lobby group in Washington, DC, to help bring about more progressive US relations with Africa. At the same time, Ted Lockwood and Chris Root recruited African-American activists to replace themselves in positions of leadership in the Washington Office on Africa.

In 1984, the American anti-apartheid movement gained new momentum when TransAfrica started coordinating the Free South Africa Movement (FSAM). Initially, FSAM began with daily demonstrations and sacrificial arrests in front of the South African Embassy in Washington. These demonstrations continued for over a year, and were accompanied by similar protests at other South African consulates or institutional symbols throughout the country. By late 1984, South Africa's struggle for independence had become front-page news in the United States, and American television networks began submitting direct transmissions of South African demonstrations to the United States. But Namibia continued to be ignored by the American media.

Two church-related organisations devoted to supporting the Namibian liberation struggle deserve special attention at this point in our discussion. For nearly two decades, the Episcopal Churchpeople for South Africa (ECSA) has monitored human rights abuses by the illegal South African administration in Namibia. Spearheaded by Bill Johnston from his small office in New York City, the ECSA has served as a major intelligence-gathering organisation for anti-apartheid groups in the US and Canada which are involved in support activities for Namibian independence.

The second important church-related organisation is the Lutheran-based National Namibia Concerns. Originally established in the mid-1970s at the Wartburg Seminary in Dubuque, Iowa, NNC was incorporated as a national organisation in May 1985 and moved to Denver, Colorado, a short time later. Headed by Solveig Kjeseth, NNC now claims to be the largest grassroots group in the US working for Namibian independence.

Although anti-apartheid activists have generally lacked success in communicating the Namibian issue to the American public, Pretoria has successfully cultivated a network of influential decision-makers to support South Africa's continuing occupation of Namibia. In the late 1970s, the South African government began hiring various American



public relation specialists to act as foreign agents for the (South African-appointed) government in Namibia.

Prior to 1980, there were three distinct foreign agents operating in the US for the purpose of representing internal parties inside Namibia. Among these parties were the US law firms of Parke-Scott Ltd., Burns-Jackson-Miller-Summit & Jacoby, and Kuaima Isaac Riruako of the Namibian National Unity Democratic Organisation. After 1980, the US–Namibia (South West Africa) Trade and Cultural Council coordinated all lobbying and propaganda activities in the United States on behalf of the South Africa administration in Namibia.

The US–Namibia (SWA) Trade and Cultural Council is the organisational outcome of various meetings which took place during the Summer 1980 between two American attorneys, Marion H. Smoak and Carl L. Shipley, and the South Africa-appointed Administrator General of the territory of Namibia. With the approval of the Namibian Council of Ministers, a representative of the Administrator General (AG) met on 1 July 1980 with Smoak (a former State Department chief of protocol in the Nixon administration and a campaign chief for Ronald Reagan) and Shipley (a Republican Party activist) and asked the Americans to devise a strategy to improve the image of South Africa's occupation of Namibia in the United States. This strategy specifically was aimed at promoting the legitimacy of the Namibian National Assembly and the Council of Ministers.

On 28 July 1980, Smoak and Shipley offered proposals to the AG which called for the creation of the Trade and Cultural Council in Washington to act as a foreign agent on behalf of the internal administration of Namibia. This Council was incorporated on 12 August, and on 25 August a formal agreement was signed between the AG and the Council to implement the measures agreed to by these parties. Among the obligations assured by Smoak and Shipley were requirements to regularly furnish the AG with information on events and developments within the US which might be relevant to Namibia, and to visit Namibia at least four times per year to directly inform the AG of the progress of the devised strategy. The formal agreement between the AG and the Council also stipulated that no action could be taken by the Council without the prior written approval of the AG. Furthermore, Smoak and Shipley consented in the contract not to promote the political aims of other institutions or persons in or with regard to Namibia.

On 2 September 1980, the Council registered with the US Department of Justice as a foreign agent of the AG of Namibia, acknowledging that

they intended to prepare and disseminate political propaganda on behalf of the National Assembly and the Council of Ministers of Namibia to various public officials, government agencies, newspapers and educational institutions inside the United States. The Council issued its first press release on 11 September 1980, headlining a demand by the Council of Ministers that the United Nations assume impartiality in the negotiations for Namibian independence.

In its first year of existence, the Council received nearly \$400 000 from the South African-sponsored administration in Namibia to pursue its propaganda activities in the United States. Among the Council's initial programmes were receptions for various Namibian leaders of the National Assembly with US lawmakers and journalists, such as William F. Buckley.

The Council's lobby efforts in the US centred on two main issues. One was the US Government's annual contribution to the United Nations which, Shipley and Smoak claim, subsidises various SWAPO activities. In a letter to the US State Department on 9 November 1980, Shipley and Smoak argued that US expenditures to the UN are not a 'legitimate expense' and questioned whether the US Government could specifically prohibit the use of its UN contributions for purposes that may assist SWAPO. Another letter to then UN Secretary General, Kurt Waldheim, on 19 November 1980 insisted that UN use of US tax dollars to support SWAPO was contrary to the US Constitution and was a violation of the UN Charter, since it does not contribute to removing threats to the peace of the world.

In July 1981, the Council began publishing the *Namibia News Gazette*, a newspaper distributed throughout the US to nearly 100 000 selected business and governmental leaders. Hardly an issue passed without some attention being given to US aid to the United Nations. These efforts bore fruit in July 1982, when Congress passed legislation stipulating that none of the funds provided to the UN could be available for the US proportionate share for any programmes for SWAPO.

The Council also directed some of its activities to condemn legislators opposed to South Africa's policy of white minority rule in southern Africa. Most notable of these legislators was Michigan Representative Howard Wolpe, who chaired the House subcommittee on Africa. In the first issue of the *Namibia News Gazette* the US-Namibia Trade and Cultural Council charged that Rep. Wolpe was 'blind to the fact that the Soviet dictators in the Kremlin are financing [the SWAPO] surrogate terrorist attack on Namibia'. The editorial called Rep. Wolpe an 'extreme liberal' who 'remains deaf, dumb and blind to the threat

to the US national security and to the free world'. Subsequent issues of the *Namibia News Gazette* suggested that the Michigan Congressman was 'soft on communism', perhaps as a result of Marxist-Socialist influences he encountered while serving with the Peace Corps in Nigeria. Wolpe called these charges 'McCarthyist smears' and denied that he ever served with the Peace Corps. Still, the Council insisted that Wolpe was 'anything but impartial on Namibia' and, in a special interview with the *Rand Daily Mail*, Carl Shipley promised to become involved 'pretty heavily' in Wolpe's re-election bid in 1982. This threat did not seem to materialise.

The history of the US–Namibia Trade and Cultural Council took a bizarre twist in late 1985, following the installation of the Transitional Government of National Unity in Namibia. On 1 October 1985, a new propaganda campaign to promote the interim government in Western states was organised by Sean Cleary, a former South African Foreign Affairs official who had served as the chief assistant to the Namibian Administrator-General, Willie van Niekerk. Among the first actions taken by Cleary was to fly to the US for the purpose of terminating the contract with Shipley and Smoak. This act was apparently precipitated by an embarrassing cartoon booklet distributed in Washington earlier in the year which poked ridicule at SWAPO President Sam Nujoma. One Washington source complained that US Congresspeople 'don't like to think of themselves as readers of comic books'.<sup>14</sup> Whatever the motivation, Cleary's actions had the effect of transferring responsibility for propaganda activities in the US back into South Africa hands.

In addition to the US–Namibia Trade and Cultural Council, there have been other Americans employed by the South African Government to promote Pretoria's cause in the United States. Perhaps the most important of these individuals was John P. Sears, who had headed President Reagan's presidential campaign in 1980. Following that successful campaign, Sears was hired as a foreign agent for Pretoria at an annual salary of \$500 000. His job was to improve South Africa's image among American policy-makers and to promote US relations with South Africa. The degree to which Sears contributed to shaping America's close relations with South Africa during the Reagan years is difficult to measure, since many cabinet members and presidential advisors have close ties with South Africa which are independent of any influence Sears may have possessed. Several of these aides had major investments in companies operating in South Africa and Namibia, while others merely sympathised with the Pretoria regime. Among the

latter was Secretary of Energy, James Edwards who, while touring South Africa, complained that African-American influence in American politics was preventing the white minority government in South Africa from getting 'its fair share of sympathy and understanding'.<sup>15</sup>

By 1984, business relations between the United States and South Africa had reached new levels of cooperation. In June 1984, the US Department of Commerce announced that it would join forces with the American Chamber of Commerce of South Africa (AMCHAM) to try to bolster trade between the two countries. Stanley McGeehan, Senior Commercial Officer in the US Consulate in South Africa, explained that the two organisations had a vital role to play in defeating the disinvestment campaign in America. In order to promote trade between the US and South Africa, the Commerce Department installed a new computer that links Johannesburg electronically with fifty district offices in the United States. American companies can now quickly find out about business prospects in South Africa, and the Commerce Departments also will line up agents or distributors for US products. South African businesspeople wishing to travel to the US can have their itinerary prepared by Washington.<sup>16</sup>

Such trade promotions between South Africa and the United States had been made easier in 1979 when the US Congress transferred responsibility for international trade from the politically-oriented State Department to the business-oriented Commerce Department. Before 1979, the State Department had applied a 'hands-off' policy when dealing with US-South African trade matters. But under the Reagan Administration, the Commerce Department began providing support, including the sharing of government intelligence, to American businesspeople who were interested in trading with South Africa. In 1984, Stephen Bisenius, an official with the US Commerce Department, left the agency to become the executive director of AMCHAM, which represents over 200 companies in South Africa. A month or so after Bisenius took this position, Chuck Hogan announced plans to open a 'Bridge to Africa' club in Washington, DC. Hogan, who like Bisenius is married to a South African, explained that the purpose of the club is to bring Americans to South Africa so as to facilitate closer relations between the two countries.<sup>17</sup>

The extent to which these pro-apartheid organisations have succeeded in promoting US trade to Namibia is not yet clear. But to inhibit such investments from entering Namibia, Representative Patricia Schroeder introduced a bill into Congress that would bar new investments in South African-occupied Namibia unless such contracts were approved

by the United Nations Council for Namibia. Hearings on the bill began in the House of Representatives in October 1985, but following the September 1985 executive order by President Reagan to impose limited sanctions against South Africa, it appeared that Congress was not eager to involve itself in a new series of trade restrictions against Pretoria. Nevertheless, the Schroeder bill was historically significant since it represented the first time that the US Government was willing to consider complying with the 1971 decision of the World Court to end support of South Africa's illegal occupation of Namibia.

### US RELATIONS WITH NAMIBIA IN THE 1980S

By the early 1980s, direct investments in Namibia by US companies appeared to be declining. The depletion of pilchard stocks and the drought affecting the Namibian karakul industry led to a sharp decline in the imports of these products. Sagging mineral prices also limited the willingness of American mining companies to invest in Namibia. Even the Tsumeb Corporation, America's largest investment in Namibia, underwent fundamental changes in its ownership in the early 1980s. In 1982, the Anglo American Corporation (AAC) of South Africa took control of the Tsumeb Corporation through a rights offer in which Gold Fields of South Africa (GFSa), a subsidiary of AAC, acquired over 27 per cent of the Tsumeb Corporation. Later, AMAX sold all of its shareholding to GFSa. Table 8.1 shows the change of ownership of the Tsumeb Corporation.

*Table 8.1 Ownership of Tsumeb Corporation (in percentages)*

Shareholder	Nationality	Pre-1982 control	Post-1982 control
GFSa	South Africa	0.0	42.0
Newmont Mining	USA	29.6	29.6
AMAX	USA	29.6	0.0
BP Minerals	UK	14.2	14.2
O'Okiep	USA	9.5	4.7
Gencor	South Africa	9.4	4.7
SWACO	UK	2.4	1.2
DeBeers	South Africa	2.9	1.4
Others		2.9	1.4

This transfer of ownership brings the Tsumeb Corporation under the direct control of South Africa for the first time in the consortium's existence. The subordination of the Tsumeb Corporation to the Anglo American Corporation is further enhanced by AAC's ownership of other companies involved in the Tsumeb Corporation. Figure 8.1 illustrates AAC's control over the Tsumeb Corporation in 1984.

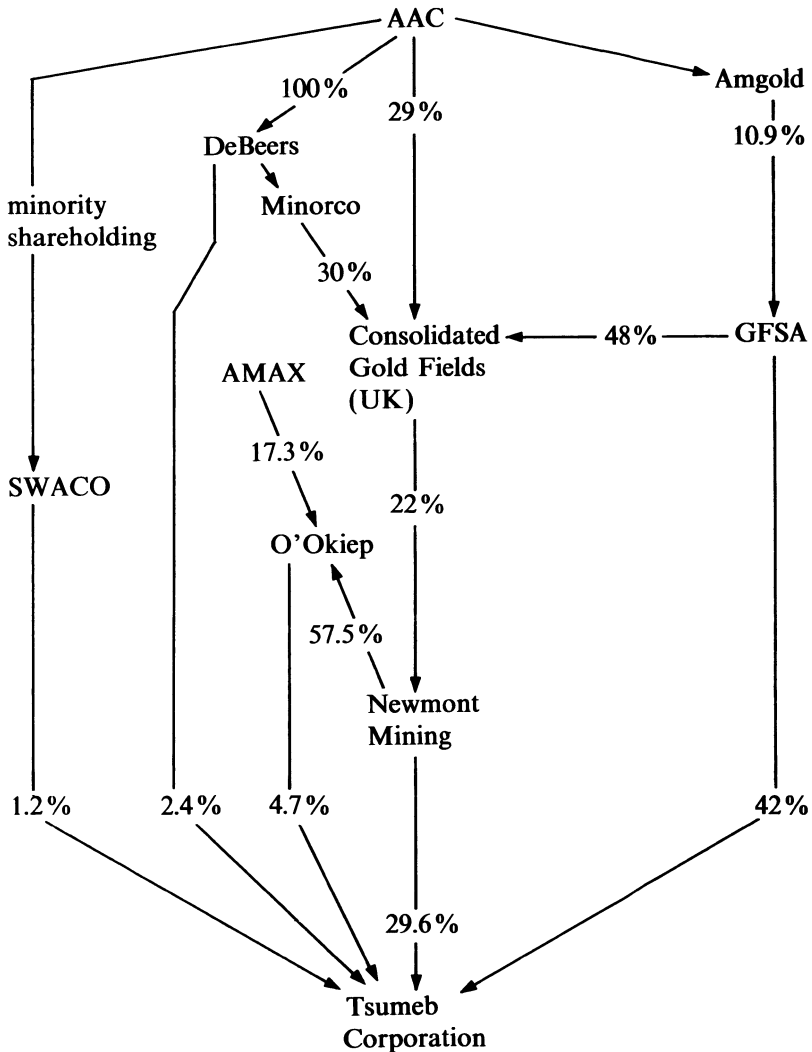


Figure 8.1 AAC's control over Tsumeb Corporation (1984)

In March 1985, it was estimated that GFSA and Newmont Mining had increased their ownership over Tsumeb Corporation to 43 per cent and 33 per cent respectively.<sup>18</sup> Despite AAC's increasing ownership of the Tsumeb Corporation, America's Newmont Mining continues to act as manager for the mine. And Newmont's commitment to the exploitation of Namibia's mineral resources can be seen in the 1983 election of Bob Meiring, General Manager of the Tsumeb Corporation, as the President of the Chamber of Mines of South West Africa.<sup>19</sup> He served in this position until 1986.

On the political front, US policy towards Namibia has discouraged any immediate settlement of the war between South Africa and SWAPO. Under the Reagan Administration, 'constructive engagement' towards South Africa has been accompanied by the 'linkage' issue regarding Namibia. This latter policy demands that Namibia's struggle for independence be held hostage to American concerns over the presence of Cuban troops in Angola. This diplomatic focus on Angola has had the effect of diverting public discussion away from the issue of America's continuing violation of international law in its economic support of the South African occupation of Namibia. Consequently, US firms remain free to invest in Namibia and to gain US corporate income tax credits for doing so.

'Constructive engagement' was a fallacious proposition from the beginning. For example, if the motivation was to reward South Africa for negotiating a Namibian settlement, then the 'rewards' should not have commenced until progress had been made on UN Resolution 435. On the other hand, if the motivation was to remove Cuban troops before Namibian elections were to be held, then why did the US fail to offer a plan to guarantee Angolan security against South Africa's military forces which have repeatedly invaded southern Angola? The fact remains that South Africa occupied Namibia some sixty years before Cuban troops were asked to enter Angola; clearly the latter cannot have precipitated the former and is therefore irrelevant to the dispute in Namibia. In essence, constructive engagement merely represented a continuation of NSSM 39.

This ability of American corporations and governmental bodies to continue violating international law with regard to Namibia also points out the ineffectual status of the anti-apartheid movement in the United States. Some of the reasons for the relative weakness of this movement have already been discussed, but suffice to say that Namibia remains a specific conflict for which the American anti-apartheid movement remains somewhat ignorant. Outside of a few programmes such

as Bill Johnston's Episcopal Churchpeople for South Africa and the National Namibia Concerns in Denver, most Americans familiar with Namibia treat the territory much like white South Africans – as an extension of the internal dynamics of South African apartheid.

## NOTES

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2. See Alan R. Booth, op. cit., p. 137; Eric Rosenthal, 'Early Americans in South West Africa', *South West Africa Annual* 1972, pp. 25–27.
3. *Peace Handbook: German African Possessions* (Wilmington: Scholarly Resources, 1973), p. 92.
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16. Bill Levitt, 'U.S. Bid to Bolster Trade With South Africa', *The Star*, 25 June 1984, p. 21.
17. See *South Africa Digest*, 29 June 1984, p. 16; *South Africa Digest*, 6 July 1984, p. 5.
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# Conclusion: Namibia and the Challenge of International Law

Allan D. Cooper

Namibians must often wonder whether their territory's rich resources represent a blessing or a curse. While serving as the basis for those who dream of a productive and self-sufficient Namibia, the territory's enormous resources have also attracted foreign interests who have come to occupy and control Namibia and its people.

Initially, it was German colonialists who destroyed the political and economic framework of the African people of Namibia. Henning Melber provides substantial documentation (in his historical analysis of the German colonisation of Namibia in this book) of how German colonialists spent their thirty years in Namibia coopting trade networks and Namibia and committing genocide against African groups who opposed their rule. Beginning with South Africa's occupation of Namibia in 1915, other Western capitalist states began to share in the exploitation and depletion of Namibia's resources. For the past seventy years, white South African authorities have terrorised the Namibian population, while creating an environment conducive to the generation of enormous profits and power to a group of Western industrialists.

Today, Western commercial interests maintain substantial investments in Namibia and control almost every major sector of the Namibian economy. Yet these same foreign powers have placed themselves at the forefront of attempts to resolve the political crisis facing Namibia. Some observers argue that transnational corporate investments in Namibia have compromised the ability of Western powers to negotiate a fair settlement of the Namibia dispute. Others argue that these investments can be used to promote the political and economic development of Namibia by implementing economic reforms and opportunities to the African population. The latter argument is challenged by the fact that Western states have excluded their corporation's business in Namibia from any 'codes of conduct' that are in place relative to South Africa. For example, the small number of US corporations that have subscribed to the Sullivan Principles (which promote fair employment practices) do not include their

Namibian operations in their compliance forms to the Sullivan monitoring authorities.

Western political and economic relations with Namibia and South Africa have produced anti-apartheid movements in each of the major Western powers analysed in this book. However, these movements have seen only limited success. In most European states, anti-apartheid organisations have put the Namibia issue into parliamentary debates, forcing some governments to take public positions that openly criticise South Africa's illegal occupation of Namibia.

Throughout the Western alliance, but especially in the United States, the anti-apartheid movement has assumed a fundamentally conservative nature. Unlike the American anti-Vietnam war movement of the 1960s, or the anti-nuclear war movement of Europe in the 1980s, anti-apartheid groups have organised their strategies and goals with the assumption that changes in foreign policy towards southern Africa must be pursued through legalistic structures. In the United States, such activities can be seen in the propensity of anti-apartheid groups and coalitions to seek local and state government resolutions condemning apartheid, and in corporate shareholder divestment campaigns.

Another conservative aspect of the anti-apartheid movement throughout Western capitalist states can be seen in the semantics utilised in describing the movement itself – 'anti-apartheid'. Rarely have such groups attempted to portray themselves as 'Pro-SWAPO' or 'Pro-ANC' organisations; doing so would no doubt encourage open discussion of such issues as the role of capitalism in creating colonial states, the function of the church in violent revolutionary conflict and the legitimacy of race as a social category. Obviously if 'apartheid' is the only problem, then Western-style governments remain a model for political change in southern Africa.

The conservative orientation of anti-apartheid movements throughout the West has also inhibited any great focus on Namibia, since such attention introduces the whole issue of Western violations of international law. Instead, anti-apartheid groups have been content to concentrate on the moral issues of investing in apartheid in South Africa. Divestment campaigns have been successful because alternative strategies for generating profit are available. However, an analysis of Namibia demands the necessity of confronting the 'criminal' nature of Western states – which is a more intimidating exercise than even a vigorous debate about the morality of a particular stock portfolio. Namibia challenges the citizens of Western states to question the representative

nature of their respective governments, and to evaluate their commitment to the universal ethical principles symbolised by international law.

While the Western public is deep in thought about alternative investment strategies, SWAPO has committed itself to achieving freedom and independence for Namibia by any means possible. Even Pretoria acknowledges that the overwhelming majority of the Namibia people have given their trust and loyalty to SWAPO in this endeavour. But Western states and transnational corporations have shown little interest in providing direct support for SWAPO, despite its widespread popularity throughout Namibia. On the other hand, Western states provide tax deductions for those companies that invest in Namibia and pay taxes to the South African authorities occupying Namibia. Western corporations continue to justify their operations in Namibia by suggesting that such investments offer occupational skills to labourers, and that the companies provide social amenities such as low-cost housing to their employees. Such justifications ignore the central political issues that make Namibia an international dispute.

Western corporate and political support to the continued occupation of Namibia invites the likelihood of an independent Namibia which is hostile to Western interests. Western powers have repeatedly slammed the door to overtures that might assist the Namibian people to achieve sovereignty over their own territory. The support given by Western countries to white South Africa today may in fact be creating the conditions whereby an independent Namibia may find it necessary to seek closer relations with the Soviet Union, Cuba, East Germany and the like. In short, Western powers bear responsibility for the possible creation of a Soviet-bloc state in south-west Africa.

No one can doubt the ability of Western powers to achieve foreign policy goals when they commit the appropriate resources. When Argentina occupied the Falkland/Malvinas Islands, Britain provided the military resources essential to removing these 'outside' forces. Recently, when France saw Chad invaded by an antagonistic neighbour, it quickly sent troops to repulse the invasion. And when the United States decided that political change had to come in Grenada, Haiti and the Philippines, Washington took actions which resulted in the establishment of more democratic regimes in these countries. One can only conclude that when it comes to Namibia, Western powers lack a commitment to the higher, ethical principles reflected in international law.

When powerful states come to the conclusion that universal ethical standards should not be respected, they invite a world where military

power becomes the rule; where terrorism becomes a justifiable voice of the weak; where oppression is rationalised as utilitarian. If Western powers truly believe that they represent an advancement in the history of human civilisation, they must respect and legitimise the development of international law. To do so requires that they set Namibia free.

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